

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

Paris, Friday, May 19, 1995

No. 34,904

Sparring Partners In U.S.-Japan Bout

Two Trade Experts Bob and Weave As Dispute Enters Critical Phase

By David E. Sanger
New York Times Service

WASHINGTON — Two seasoned political operatives are keeping a wary eye on each other across 7,000 miles, each pushing a political and an economic agenda that leaves the other uncomprehending.

Mickey Kantor works from the old Winder Building across from the White House, where Abraham Lincoln used to consult his generals.

Ryutaro Hashimoto, his hair slicked back and his cigarette holder ever present, works from the Ministry of International Trade and Industry in Tokyo, where the world's most productive and protected automobile industry was built from scratch.

Mr. Kantor, 55, is the ultimate political loyalist, and regardless of whether the 100 percent sanctions he has declared against \$5.9 billion in Japanese luxury cars open Japan's markets, they will certainly play well in the Midwest and in union halls, territories that President Bill Clinton has alienated and wants to reclaim.

Mr. Hashimoto, 57, has a reputation for toughness and arrogance. He sees himself as Japan's next prime minister, maybe within months. Standing up to the Americans, many believe, is his strategy for realizing his life's ambition.

In private, the two get along passably well — "two of a kind," one U.S. official who knows them both said the other day — and talk about everything from Shinjuku to baseball to their college days. But in public, the bombast spills out easily. Asked about Mr. Kantor at a

recent news conference, Mr. Hashimoto replied quickly, "He's scarier than my wife when I come home drunk."

Now Mr. Kantor and Mr. Hashimoto are so far apart that both Japanese and U.S. leaders fear they may be headed toward a far larger collision than either intended.

The immediate subject is cars. But both are quick to say that the real issue is jobs, and a clash of economic systems whose differences have been papered over, but never reconciled.

Both talk about "containing" their disputes to the economic sphere, but both worry that the other is already poisoning the well.

"Every time the United States and Japan have faced trouble, I've been able to see the way out," said a Japanese official who has worked closely with Mr. Hashimoto. "On this issue, I can't figure out how it will be resolved. We've never been this far apart."

Mr. Kantor and Mr. Hashimoto meet again next week in Paris, doubtless in the first of many contentious sessions.

Mr. Kantor has been preparing for the confrontation with Mr. Hashimoto ever since he moved from chairman of the Clinton campaign to become U.S. trade representative.

The post is usually considered out of the mainstream of policy-making. Nevertheless, Mr. Kantor attacked the job with vigor.

Tenacious and often uncompromising, he took a central role in pushing through two of Mr. Clinton's biggest international initiatives, the North American Free

See CLASH, Page 6



President Jacques Chirac, right, with Chancellor Helmut Kohl of Germany on Thursday in Strasbourg.

Chirac Vows To Maintain Strength of French Franc

With Kohl, He Pledges
'Common Willingness'
For a Single Currency

By Tom Buerkle
International Herald Tribune

STRASBOURG — President Jacques Chirac dismissed as "absurd" on Thursday speculation that he might abandon France's strong-franc policy in a bid to create jobs, and he said he shared with Chancellor Helmut Kohl a "common willingness" to achieve a single European currency.

Asserting that France and Germany were determined to make good on the Maastricht treaty commitment to a single

Chirac enhances the Finance Ministry in naming a cabinet of loyalists. Page 6.

currency, Mr. Chirac said, "It's out of the question that France will have an economic and monetary policy that is not in keeping with those commitments."

Mr. Chirac declined to tie himself down to any date for a single currency, however, and repeated his campaign pledge to make employment his top priority. "The new French government intends to make the fight against unemployment the heart of its policy," he said.

Despite his pledge, it was unclear whether world currency markets would believe that the new government in Paris remains firmly committed to maintaining the value of the franc within the European Monetary System.

While a strong French franc would help Paris meet the criteria for a single European currency, Mr. Chirac has said that the first realistic date for that step is 1999.

Currency markets were swept Wednesday by rumors that Mr. Chirac might allow the franc to weaken as a way to bolster exports and ease France's 12 percent unemployment rate.

Those rumors were fueled by a report in Le Monde that aides to Mr. Chirac were urging him to seek a realignment of the franc against the Deutsche mark within the European Monetary System to allow the French currency to drop in value.

This would go against France's 10-year-old policy of linking the franc to the mark, a bond considered the linchpin of a future single European currency.

Mr. Chirac also sought to allay concerns that French support for European integration might weaken under his leadership with a highly symbolic first meeting with Mr. Kohl in this Rhine Valley border city.

"Even if men change," Mr. Chirac said, referring to his succession to François Mitterrand as president the day before, "the nature of things doesn't change, and the

See DUO, Page 6

U.S. Angers Arabs and EU by Vetoing a UN Criticism of Israel

Compiled by Our Staff From Dispatches

CAIRO — Arabs voiced dismay and anger Thursday over the U.S. veto of a United Nations Security Council resolution calling on Israel to reverse a decision to expropriate land in largely Palestinian areas of Jerusalem.

Arabs said the veto, the Clinton administration's first in the Security Council, could torpedo the Middle East peace process and had made it nearly certain that Arab heads of state would meet in Morocco later this month for an emergency summit meeting on Jerusalem.

European Union officials also jumped into the fray, warning that the move could delay the signing of a key trade pact between the EU and Israel.

The United States was alone in oppos-

ing the resolution, which was supported by the 14 other council members.

Nabil Shaath, head of planning in the Palestinian Authority, said in a statement that the veto was "a negative decision, which may threaten the peace process as a whole."

But Foreign Minister Shimon Peres of Israel played down the vote to reporters in Paris as "a lot of noise about a little story." Prime Minister Yitzhak Rabin's spokeswoman said in Israel that "there is satisfaction" at the outcome.

Secretary of State Warren M. Christopher also defended the veto. "The United States feels a tremendous responsibility to protect the peace process," he told a Senate subcommittee Thursday in Washington. "It is a very high priority for us."

"And so we took the unusual step

terday of vetoing a resolution in the United Nations Security Council, our first veto in 11 years, about five years ago because we thought it was so important to protect the peace process and prevent institutions outside that process from taking steps that might interfere with it."

Arab states had already rallied around a campaign against Israel's decision to seize the land, and preparations were being made in Morocco for what would be the largest gathering of Arab leaders since Iraq invaded Kuwait in 1990.

"The United States has raised the stakes," a diplomat said. "Now I think the summit will definitely take place."

Palestinians were betting on the summit meeting, called by the Arab League secretary-general, Esmat Abdel Meguid, to come up with a warning to Israel that

Arabs could freeze the normalization of ties unless it reversed its land confiscation plans.

"Israel must understand that normalization cannot take place but under normal circumstances," Saeb Erekat, a Palestine Liberation Organization negotiator, said this week.

Marwan Kanafani, a spokesman for Yasser Arafat, the PLO leader, said that the veto was incompatible with international agreements and that Mr. Arafat was disappointed about it.

"The position of America may make the United States lose its credibility and the trust of the Palestinian people," he added.

Israel captured East Jerusalem from Jordan in 1967, annexed it and then declared it part of its united capital. It refuses to include the territory among the occupied

territories. The Palestinians see the old Eastern part of Jerusalem as the future capital of a Palestinian state.

At a multilateral peace conference in Montreux, Switzerland, Faisal Husseini, who is in charge of Jerusalem's affairs in the Palestinian Authority, said he had asked Israel for immediate bilateral talks on the future permanent status of Jerusalem. His request, in effect, advanced the peace process timetable agreed to in 1993. That timetable calls for talks on Jerusalem's status by May 1996.

"Maybe in one year I'll find no land to talk about," Mr. Husseini said.

In Brussels, EU officials were angered and said the veto was a new blow to peace. "I think this is outrageous," a senior Euro-

See VETO, Page 6

Kinkel to Quit as Chief of German Party

By Rick Atkinson
Washington Post Service

BERLIN — Foreign Minister Klaus Kinkel, widely blamed for the dismal political fortunes of his Free Democrats, announced Thursday that he would step down next month as party chairman.

Mr. Kinkel said in Bonn, however, that he intended to remain in office as foreign minister and deputy chancellor in the center-right coalition government headed by Chancellor Helmut Kohl since 1982.

Since assuming the top party post two

years ago, Mr. Kinkel has watched the Free Democrats take a drubbing in 12 of 14 state and national elections, their traditional role as the kingmaker in German politics becoming ever more tenuous. On Sunday, they were bounced out of two more state assemblies after failing to win the minimum 5 percent of the vote needed for seats in North Rhine-Westphalia and Bremen.

"The Free Democrats need a new chance through a new beginning after some difficult months," Mr. Kinkel said, in announcing he will not be a candidate for chairman at the party congress in

Mainz next month. "I will concentrate all my efforts on my position as foreign minister."

The competing demands of a busy Foreign Ministry and a troubled party have left Mr. Kinkel badly overmatched, many political analysts believe. A career bureaucrat who was a political independent until 1991, Mr. Kinkel succeeded his long-time mentor, Hans-Dietrich Genscher, as foreign minister in 1992 and as party chairman in June 1993.

In December, Mr. Kinkel survived a vote of confidence after being heckled by

See KINKEL, Page 6

House Approves Radical Budget Slashing

The Associated Press

WASHINGTON — The House approved on Thursday an ambitious Republican plan to shrink government and balance the federal budget by 2002, rejecting Democratic complaints that it would exact a terrible price on those on Medicare and other federal programs.

The proposal would dramatically change the face of government, eliminating hundreds of federal programs, cutting others and turning still more over to the states.

The vote was 238 to 193, largely along party lines, to send the measure to the Senate. That chamber is already working on a plan of its own to eliminate deficits by 2002, the first time that would have happened since 1969.

The House plan calls for nearly \$1.5 trillion in savings over seven years, including \$283 billion from Medicare health insurance for the elderly and an additional

\$180 billion from Medicaid, the health care program for the poor.

It also leaves room for the tax cuts passed last month as part of the Republican "Contract With America."

The proposal survived two days of bitter attacks by its Democratic critics nearly unscathed.

The Republican leadership staved off three attempts to replace the budget blueprint with alternatives, two of them from factions of liberal and conservative Democrats.

"Now is the time to stop robbing our children and our grandchildren," the majority leader, Dick Armey, Republican of Texas, said shortly before the final vote in the House. "Now is the time to give up the false promise of big government and deficit spending."

The House speaker, Newt Gingrich, presided for the final roll call, and a cheer went up from the Republican side of the

floor when the budget gained a majority. Most Democrats battled against the measure to the end.

"The value of my party and I hope of a lot in the other party is that we must invest in people for the things they cannot do for themselves," said the House minority leader, Richard A. Gephardt, Democrat of Missouri.

He, like others, said Republicans were taking money from "people who are already struggling" to give a "\$20,000 tax cut" to the wealthy.

The House voted as Senate Republicans pushed their own balanced-budget proposal toward the floor and expected passage next week.

Democrats readied a series of amendments to restore financing for Medicare, education and tax cuts for the working poor.

Republicans conceded they were taking a political risk in making the cuts necessary to balance the budget. "We're playing a high-risk game," said Representative Dennis Hastert, Republican of Illinois. "We're trying to do something that hasn't been done here in a long time."

Michael Wins of The New York Times reported earlier from Washington.

The Republican plan is actually a broad outline for future spending. By 2002, an

See BUDGET, Page 6



TANK RAMPAGE — Policemen in San Diego pulling out a tank thief with a mortal head wound. They said he crunched cars with a stolen tank. Page 3.

Where Russians Play Roulette in the Sun

By William Drozdiak
Washington Post Service

NICE — The thrice-weekly air shuttle starting next month between Nice and Moscow is just one sign of the changing times here on the French Riviera. Real estate agents are studying the language of Pushkin, beach bars are stocked with Slavic liqueurs, and hotels are hooking up Slavic cable channels.

Once again, the Russians are coming! The famed Mediterranean coastline has fascinated Russians since the czars conducted annual pilgrimages here to court other European royals. After Empress Alexandra Feodorovna first came in 1856 and built a superb Russian Orthodox

church, Moscow's prerevolutionary elite embraced Nice as their primary refuge from the harsh winters and brewing class troubles at home.

Now a new class of wealthy Russians is flocking to the area, not only for a dose of sea, sun and glamour but also to find a safe haven for their money. A record 30,000 bankers, businessmen and tourists — double the number two years ago — are expected to descend on the Riviera this year seeking relief from the brutality of modern Russia's climate, corruption and chaotic economy.

For the Riviera's beleaguered tourist trade, the Russian invasion is nothing short of salvation. Many of the Americans that Monaco's Princess Grace once lured

here have vanished with the shrinking dollar. Japanese tycoons and Arab sheikhs who later thronged local beaches and boutiques also were scared off by sticker shock after suffering serious dents to their pocketbooks in recent years.

In their turn, the "emirs of the East" are being welcomed with open arms. They reserve the plushiest hotel suites for weeks at a stretch, pay their bills with thick wads of \$100 bills and make few demands other than a well-stocked bar. At the beach of the Ruhl casino, waiters remain awestruck by a young Russian couple who consumed seven bottles of Dom Perignon champagne during an afternoon's sunbathing, peeling

See RIVIERA, Page 6

Newsstand Prices

Andorra.....9.00 FF	Luxembourg.....60 L.Fr
Antilles.....11.20 FF	Morocco.....13 Dh
Cameroun.....1.400 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....9.00 R.
Gabon.....960 CFA	Senegal.....225 PTAS
Greece.....360 Dr.	Spain.....1.250 Ptas
Italy.....2.600 Lit.	Tunisia.....1.45.000
Jordan.....1.120 CFA	Turkey.....T.L. 45.000
Lebanon.....1 JD	U.A.E.....8.50 Dirh
	U.S. Mil. (Eur.).....\$1.10

Dow Jones

Down 81.96	Down 0.66%
4340.64	120.47
The Dollar	
New York	Time close
DM	1.4405
DM	1.445
Pound	1.5779
Pound	1.57
Yen	88.90
Yen	86.75
FF	5.706
FF	5.115

GE
—
Y
D
t Be
intr
ing
vora
3 d
oun
s. 5
id 2
con
he i
clair
2 la
is fo
e wa
ne is
la
nme
mild
ed b
use
ose
gula
id
state
on
(19
if th
n
ur of
jour
: tri
: en
asse
d
—
g

Middle East and Domestic Politics/A Campaign Maneuver

An Embassy as Pawn

Republican Bill Divides a Host of Old Allies

By Katharine Q. Seelye
New York Times Service

WASHINGTON — The Republican proposal to move the U.S. Embassy in Israel from Tel Aviv to Jerusalem ahead of schedule has upset American Jews, pitted traditional allies in Congress against each other and put Israel's chief American lobby at odds with the Israeli government.

As a result, the bill put forward last week by Senator Bob Dole, the majority leader and the leading candidate for the Republican presidential nomination, faces a more difficult time in Congress than was first apparent and may ultimately backfire on him.

Legislation introduced by both Mr. Dole in the Senate and Newt Gingrich, the House speaker, calls for the administration to begin breaking ground for a new embassy in Jerusalem by the end of next year. If that does not happen, the bill will cut half the money already allocated to the State Department for other foreign construction projects.

While most American politicians support moving the embassy eventually, they have left the timing to Israeli and Palestinian negotiators, who have put the issue off until the final stage of their peace talks next year.

The location of the embassy is sensitive because Israelis and Palestinians alike claim Jerusalem as their capital.

Palestinians would regard moving the embassy now as a statement by the United States that it had changed its long-held position and had come to support Israel's claims to all of Jerusalem, including the eastern precincts captured from Jordan in the 1967 war.

Senator Dole's call for breaking ground ahead of the negotiators' schedule was a by-product of presidential politics in America and the politics surrounding the increasingly fragile peace effort in the Middle East.

When he announced his proposal on May 8 to the American Israel Public Affairs Committee, the influential Jewish lobbying group holding its annual convention here, Mr. Dole received a standing ovation.

BUT EVEN those who support the early move of the embassy said they saw Mr. Dole's proposal as a transparent political act. The Forward, a Jewish newspaper in New York, wrote in an editorial that the senator's efforts to "emerge as the greater champion of Israel" as opposed to President Bill Clinton, who resists moving the embassy now, "would be laughable were it not so blatant a play for positioning in the coming primaries."

The move, one analyst said, may not win Mr. Dole any Jewish votes that he would not have won otherwise, but it may help inoculate him against charges that he has been insensitive to Israel in the past.

In 1990, while traveling in the Middle East, Mr. Dole referred to Israel as a "spoiled child" and proposed a 5 percent reduction in American aid to Israel.

In a statement that offended many Jews, he said Israel had established control over east Jerusalem "by force." And after a 1990 meeting with President Saddam Hussein of Iraq, Mr. Dole reported to President George Bush that the Iraqi was "a leader to whom the United States can talk."

That same year, he said on the Senate floor that the United States should not unilaterally interfere with the future status of Jerusalem. Although he had signed a resolution declaring Jerusalem the capital of Israel, he was taking it back, he said, because such sentiment could comfort Arabs "looking for an excuse to avoid the broader peace process."

Yet, the legislation he introduced last week

would accomplish just what he deplored in 1990. It puts Congress in the middle of a delicate situation and forces the United States to relocate the American Embassy to Jerusalem unilaterally — regardless of negotiations. The move, he said, would have "no impact" on the peace effort.

To his previous incarnations, Bob Dole was not the most Likud-supporting American on the Hill, said Henry Siegman, a former director of the American Jewish Congress who now works at the Council on Foreign Relations. "He was never seen as an unquestioning ally of Israel — but then, he wasn't seen as deeply enamored of the Christian-values crowd either, until now."

"Clearly what we have here," Mr. Siegman continued, "is not some deep conversion on an issue of principle, but posturing and maneuvering in the hope that this creates some political advantage."

POLITICAL advantage, and the concomitant fund-raising advantage, were not the only considerations for Senator Dole. Just as compelling were Israeli politics and the increasing concern by conservatives, both here and in Israel, over the peace talks.

"Right-wing groups have been searching for some way to break American Jews from supporting the peace process," a Senate aide said. Referring to next year's Israeli elections, the aide added: "To call for breaking ground in '96 means Rabin will have to face up to this issue. That means he loses the Arab votes and his coalition falls. He can't win." And then the peace talks fail.

Prime Minister Yitzhak Rabin's government has accused leading Likud officials of lobbying on Capitol Hill to scuttle Israel's peace talks with both the Palestine Liberation Organization and Syria.

Health Minister Ephraim Sneh, a former general who is close to Mr. Rabin, told Israeli reporters based in Washington last week that some Likud officials were "mixing into American politics" in an attempt to "slow down the peace process." He said these Likud officials were "trying to obtain in the American capital what the Israeli ballot box did not give them."

But the Rabin government has avoided any direct criticism on the embassy dispute, since it does not want to appear less enthusiastic than the opposition about the affirmation of Jerusalem as Israel's capital. Instead, it has attacked Likud representatives on other fronts.

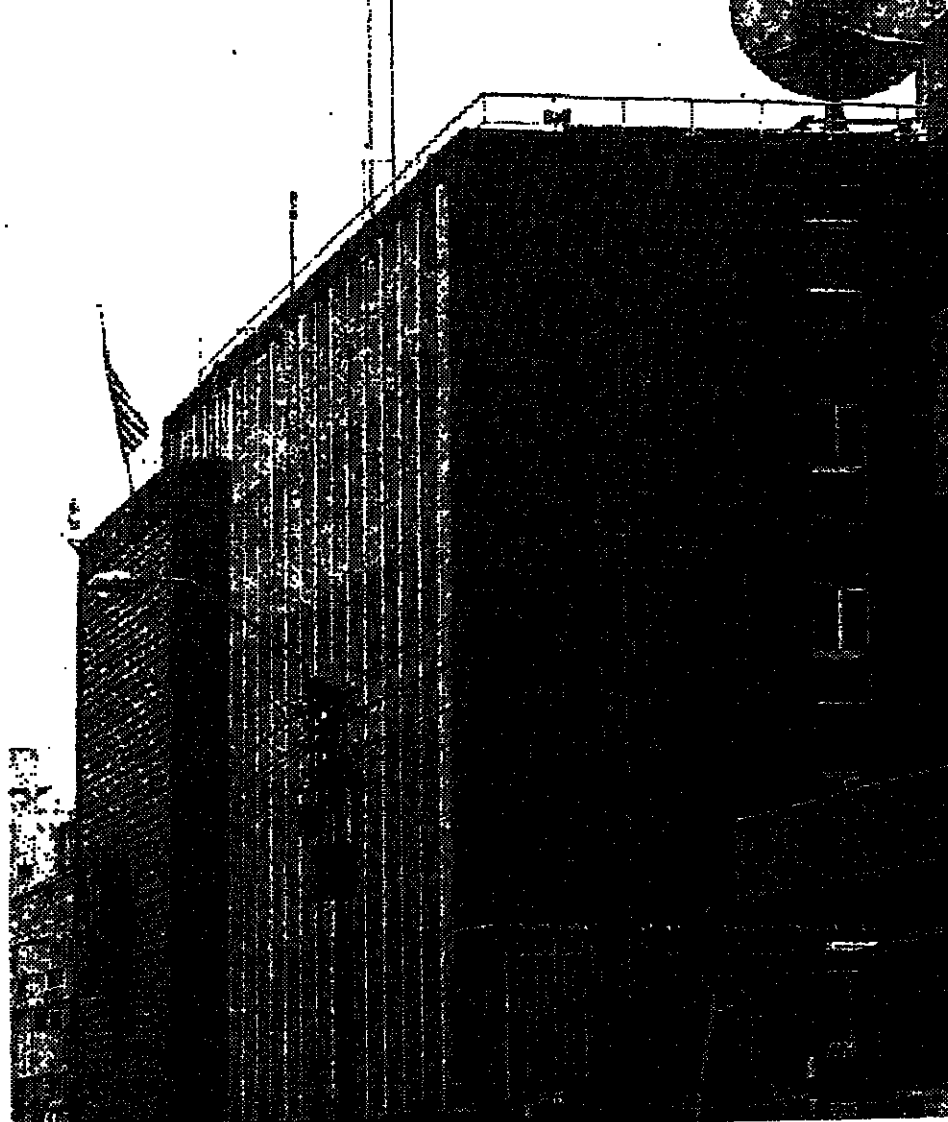
One such front is Likud lobbying in Congress to kill the chances that American soldiers might monitor the Golan Heights as part of any future peace treaty between Israel and Syria. By raising the issue of monitors now, Israelis opposed to giving up the Golan and their American allies see a way to undermine a possible Israeli-Syrian deal.

Similarly, they have sought to cut U.S. aid to the Palestinian self-rule government in the Gaza Strip and Jericho, a move that administration officials warn could cripple peace talks between Israel and the PLO. Congress must certify by June 30 that the Palestinian Authority based in Gaza is complying with its 1993 agreement with Israel, or risk having American aid cut.

The Clinton administration has contended that moving the embassy to Jerusalem now would hurt the peace talks.

Martin Indyk, the new American ambassador to Israel, warned at his Senate confirmation hearings in February: "Any move now, I believe very strongly, would explode the peace process."

In a speech in Tel Aviv on Tuesday, Mr. Indyk did not use such strong language, but



The U.S. Embassy in Tel Aviv, which the Republicans want to see in Jerusalem soon.

he repeated his warning that "this is not the time for us to move the embassy to Jerusalem," given the sensitivity of the issue in the peace talks.

BUT OTHERS are less persuaded that this is so, including Robert Sattloff, who succeeded Mr. Indyk as executive director of the Washington Institute for Near East Policy.

"We've had constructive ambiguity with an embassy in Tel Aviv," Mr. Sattloff said. "We can probably maintain constructive ambiguity with an embassy in Jerusalem."

As for most members of Congress, they recognize Jerusalem as the capital, and they want the embassy there. Indeed, 93 of the 100 members of the Senate recently signed a letter to Secretary of State Warren M. Christopher that supported moving the embassy by May 1995.

By forcing the move ahead of the negotiators' timetable, the Dole bill has divided several American Jewish groups, who are now in heated competition to lobby members of Congress over it.

Most adamantly in favor of the bill is the American Israel Public Affairs Committee. "It is the absolute right of every sovereign state to designate its own capital," said Neal M. Sher, executive director of the group. He noted that the United States has based an embassy in the capital of every country with which it has diplomatic relations, except Israel.

Other Jewish groups here have issued statements in support of the Rabin government and the peace effort and urged Congress to go slow.

IN CONGRESS, the legislation has split California's two Democratic senators, both of whom are Jewish. One, Dianne Feinstein, opposes Mr. Dole's effort to push up the move, saying it would lead to the "collapse" of the peace effort. She is asking her Democratic colleagues to withhold support and search for an alternative approach. But the other senator, Barbara Boxer, supports the legislation.

Similarly, New York's senators, who have in the past worked closely on Israeli issues, are now at odds. Alfonse M. D'Amato, a Republican and major backer of Senator Dole's presidential campaign, favors the bill and is the point man working for its passage.

Daniel Patrick Moynihan, a Democrat, was not consulted on the Dole bill. He is officially reserving judgment on it, but for someone so closely allied with the issue and who has sought a consensus on the move to Jerusalem for so long, that seems tantamount to opposing it.

Twenty-six senators have so far signed on to Mr. Dole's bill, including seven Democrats. They include Max Baucus of Montana, Bill Bradley of New Jersey, Byron Dorgan of North Dakota, Tom Harkin of Iowa, Daniel K. Inouye of Hawaii, and Carl Levin of Michigan.

The Plot Thickens
In Plutonium Case
Informer's Role in Smuggling
Points to German ConspiracyBy Alan Cowell
New York Times Service

BONN — Months after the smuggling of weapons-grade plutonium from Russia to Germany sounded alarm across Europe, the Parliament in Bonn and a court in Munich are investigating the possibility that the traffic was a conspiracy by German intelligence.

The suspicious deepened last week when Bernd Schmidbauer, the intelligence coordinator for Chancellor Helmut Kohl, acknowledged that a German intelligence informant code-named Roberto had been present when plans were made in Madrid last June to smuggle 280 grams (10 ounces) of weapons-quality plutonium 239 to Munich.

The radioactive material, possibly enough to make a bomb, was seized on Aug. 10 in Munich and three men were arrested, two Spaniards and a Colombian. The men are accused of smuggling the plutonium into Germany aboard a Lufthansa flight from Moscow.

Russian officials have denied all along that the plutonium came from their country, but German television reports last week said the material had been identified as having originated in Russia.

When the trial of the three men opened last week in Munich, a defense lawyer, Werner Leitner, said state prosecutors had withheld important documents. He accused Roberto and another agent, code-named Rafa, of instigating the sale and of insisting that the deal be concluded in Munich.

"Not just anywhere in Germany, not just in any town, but specifically in Munich," Javier Bengoechea Arratibel, one of the three accused men, said at the trial.

German news reports have suggested that intelligence agents wanted the transfer to take place in Munich, in the same region as their headquarters, to give them closer control of the situation.

Rafa told a closed session of the court last week that another Spaniard sought in connection with the deal had initiated the smuggling, German news reports said.

The discovery of the plutoni-

um last August inspired accusations from the opposition Social Democrats that the seizure had been choreographed by German intelligence to improve Mr. Kohl's prospects in the October elections.

The two Spaniards arrested, Mr. Arratibel and Julio Oroz Egua, have pleaded guilty to violating arms-control laws. But the Colombian, Justino Torres Benitez, has not entered a plea. His lawyer has said he will argue that the deal was a set-up by German intelligence.

A new parliamentary committee was instructed last week to ascertain the details of the shipment.

Mr. Schmidbauer, the intelligence coordinator, told Parliament on Thursday that Roberto, an agent of the Federal Crime Office, had been present when the smuggling was first discussed in Madrid.

But Mr. Schmidbauer said that he had no advance knowledge of the shipment and that he had learned of it only the day after the three men were arrested. He also said the agent Roberto was not necessarily the same Roberto accused at the trial of instigating the operation.

German officials also presented the episode as evidence that Russia had no control over its stocks of radioactive material.

But the incident has played into a contentious political debate.

A Social Democratic member of the European Parliament, Martin Schmitz, who acts as that body's spokesman on nuclear smuggling, declared Thursday, "Those who are fighting this market are those who created it."

Contentions that intelligence officials were behind the deal belittle the alarms raised by intelligence officials in Germany, Israel and elsewhere that a thriving underground market in nuclear-related contraband exists in Germany, including an arms-smuggling network set up by Iran in a quest to develop a nuclear bomb.

The issue of Iranian nuclear intentions is particularly sensitive in light of President Bill Clinton's opposition to Russia's sale of nuclear technology to the Iranian government.

TRAVEL UPDATE

Fatal Air Crashes on Rise in Russia

MOSCOW (AP) — A Russian official Thursday reported a steady rise in the number of air crashes, citing widespread violations of safety rules and poor maintenance as the key reasons.

Last year, 302 people died in 19 crashes, said Alexander Godunko, an official with the Russian Prosecutor General's Office in charge of transport safety. In 1993, officials reported 14 crashes in which 197 people were killed.

The main reason for the increase in crashes was disregard for technological rules and the poor state of repair and maintenance of aircraft, Mr. Godunko said, according to Inter-Tass press agency. Another reason has been the breakup of the Soviet carrier Aeroflot into scores of independent smaller airlines that have paid little attention to safety in their rush for profits.

The United Nations watchdog agency on safety at sea has backed proposals from maritime experts to improve safety of passenger ferries like the Estonia, the vessel that sank in the Baltic last year with the loss of about 900 lives. If the changes are adopted, many ships will have to undergo extensive conversion and, the UN's International Maritime Organization said in London, "these could prove so expensive that in some cases ships will have to be scrapped."

SAS pilots on Thursday threatened to hold a one-day strike on June 2 over a pay dispute in which the pilots are demanding a 6.7 percent raise.

Talks between Australia and Hong Kong began Thursday to try to resolve the dispute between Cathay Pacific Airways and Qantas Airways over how many passengers Qantas can pick up in Hong Kong to take to other Asian destinations.

Travel on U.S. highways this summer is expected to be 2 percent higher than last summer — with the West as a favorite destination — because people are more confident about the economy, according to a survey released by the American Automobile Association and the Travel Industry Association of America.

Hundreds of tons of garbage piled up in the streets of central Athens on Thursday as a rubbish collectors' strike entered its third day, with no relief in sight before Monday.

Workers in Budapest lowered into place the last section of a new bridge across the Danube, adding a seventh crossing Thursday to the congested links between the two halves of Hungary's capital city.

New Evidence Reported Against Salinas Brother

Compiled by Our Staff From Dispatches

MEXICO CITY — Prosecutors have presented new evidence implicating the brother of former President Carlos Salinas in the assassination in September of a governing party leader, a news agency reported.

The new evidence implicating Rafael Salinas, who is being held in a federal prison, includes testimony by a man who was accused and then cleared in the murder of José Francisco Ruiz Massieu, No. 2 man in the Institutional Revolutionary

Party, the official Notimex news agency said.

The report did not give details of the testimony by Abraham Rubio Canales, a former politician sent to prison for fraud in 1992.

But it raises new doubts about the reliability of investigations into a series of murders committed during the Salinas administration.

A former special prosecutor, Mario Ruiz Massieu, the victim's brother, is accused of shielding the president's brother.

He was arrested in the United States for violating currency rules, and is awaiting extradition to Mexico.

José Francisco Ruiz Massieu was shot to death as he left a Mexico City restaurant.

Other prominent murder victims have included a Roman Catholic cardinal and a presidential candidate, Luis Donaldo Colosio.

President Ernesto Zedillo, in an unprecedented move, appointed an opposition lawmaker to lead the investigations shortly after he took office last December.

Separately, officials in the western state of Jalisco have accused four men with ties to one of Mexico's most powerful

drug-trafficking groups of murdering a former prosecutor in the city of Guadalajara earlier this month.

State officials said the men were believed to have killed the former state attorney general, Leonardo Larios Guzman, because of his efforts to prosecute several high-profile cases, including the killing a year ago of Juan Jesús Cardinal Posadas Ocampo, the Roman Catholic archbishop of Guadalajara.

A spokesman for the state attorney general's office, Sergio Villa, said the four men had been identified as part of a gang in Guadalajara that carried out assassinations and other crimes for the so-called Tijuana cocaine ring.

(AP, NYT)

For investment information

Read the MONEY REPORT
every Saturday in the IHT

BRING 1000
COLLEAGUES
FOR A
CONFERENCE

... OR BETTER STILL, JUST
BRING SOMEONE SPECIAL!

AMARI
WATERGATE HOTEL
BANGKOK

Reservations: Fax (66-2) 653-9046 or call UTEL offices worldwide.
DETTON Reservations

HENRY J. BEANS BAR & GRILL • GRAPPA ITALIAN RESTAURANT

Kenny's New York Bar

EST. 1911 - PARIS

THE OLDEST COCKTAIL BAR IN EUROPE

Just tell the taxi driver, "Sank roo doe noo"

PARIS: 5, rue Daunou

GENEVA: Confédération Center

MS EUROPA: Al Sea

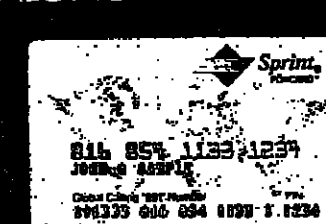
MONTREUX: Montreux Palace

TO CUT THROUGH

THE HASSLES OF USING A

FOREIGN PHONE,

CUT ALONG THE DOTTED LINE.



To call, just dial the Access Number for the country you're visiting, and you'll reach an English-speaking Sprint Operator. It's that easy.

COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
American Samoa	433-1000	Croatia	99-385-0113	Ireland	1-800-355-8000	Syria	0091-44-0077
Antigua (landed phone)	868-366-4443	Cyprus	003-900-01	Israel	177-103-2727	Taiwan	0086-24-0077
Argentina	001-800-777-1111	Czech Republic	004-002-187	Italy	173-1877	Thailand	0066-2-0077
Armenia	8-10-355	Denmark	800-1-6877	Jamaica (parish)	875	Turkey	0090-312-0077
Australia (Sydney)	1-800-551-1110	Dominican Republic	1164-977	Jamaica (other)	1-800-877-8000	U.S.A.	1-800-877-8000
Austria (Vienna)	1-800-881-877	Ecuador	999-171	Japan (all other)	0046-55-577	Ukraine	8-800-39
Azerbaijan	022-903-014	El Salvador	354-0777	Japan (Tokyo)	0046-3-123	United Arab Emirates	800-431
Bahamas	1-800-389-2111	Finland	0035-070-103	Korea (Seoul)	0082-2-123	United Kingdom (UK)	0044-1-0077
Bahrain	800-777	France	900-1-0284	Korea (other)	0082-2-123	U.S. Virgin Islands	800-49-0077
Barbados	1-800-577-8000	Germany	0130-0013	Latvia	0037-1-0077	Vietnam	800-1111-0
Belgium	0800-10014	Hungary	0036-1-011	Lithuania	0037-1-0077		
Bermuda	1-800-523-0877	Iceland	950-1356	Luxembourg	00352-0115		
Bolivia	0800-3333	India	900-103	Macao	0850-121		
Brazil	0800-5016	Indonesia (Jakarta)	0062-21-123	Malaysia	800-0016		
British Virgin Islands	1-800-577-8000	Indonesia (Sulawesi)	0062-41-123	Mexico	0052-5-123		
Bulgaria	00359-1010	Hong Kong	800-1877	Moldova	00376-2-123		
Canada	1-800-877-8000	Hong Kong	800-1877	Monaco	00377-123		
Cayman Islands	1-800-366-4443	Hungary	0036-1-011	Norway	800-0016		
Chile	0056-217	Ireland	00353-1-123	Poland	0048-22-123		
China	0086-10-123	Israel	00972-3-123	Portugal	00351-21-123		
Colombia	0057-10-123	Italy	0039-6-123	Puerto Rico	001-800-877-8000		
Costa Rica	00506-0113-0123	Japan (Tokyo)	0081-3-123	Romania	0040-21-123		
		Japan (other)	0081-3-123	Russia (Moscow)	007-495-123		
		Japan (other)	0081-3-123	Russia (other)	007-495-123		
		Japan (other)	0081-3-123	Slovakia	0042-2-123		
		Japan (other)	0081-3-123	Slovenia	00386-1-123		
		Japan (other)	0081-3-123	South Africa	0027-11-123		
		Japan (other)	0081-3-123	South Korea	0082-2-123		
		Japan (other)	0081-3-123	Spain	0034-91-123		
		Japan (other)	0081-3-123	Sweden	0046-8-123		
		Japan (other)	0081-3-123	Switzerland	0041-1-123		
		Japan (other)	0081-3-123	Taiwan	0086-2-123		
		Japan (other)	0081-3-123	Thailand	0066-2-123		
		Japan (other)	0081-3-123	Turkey	0090-312-123		
		Japan (other)	0081-3-123	U.S.A.	1-800-877-8000		
		Japan (other)	0081-3-123	Ukraine	8-800-39		
		Japan (other)	0081-3-123	United Arab Emirates	800-431		
		Japan (other)	0081-3-123	United Kingdom (UK)	0044-1-0077		
		Japan (other)	0081-3-123	U.S. Virgin Islands	800-49-0077		
		Japan (other)	0081-3-123	Vietnam	800-1111-0		

THE AMERICAS

POLITICAL NOTES

Christian Coalition Gains Support

WASHINGTON — The House speaker, Newt Gingrich, pledging along with other Republican leaders to support a Christian Coalition 10-point plan for moral and social change, has promised that the House will vote on restricting abortion and on a constitutional amendment to allow prayer in schools and other public places.

Mr. Gingrich, Senator Phil Gramm of Texas, and other Republican congressional leaders acknowledged their debt to the religious right in an elaborate ceremony in the Capitol and vowed to support the Christian Coalition's "Contract With the American Family."

Mr. Gingrich promised that "House Republicans are totally committed" to bringing each measure to a floor vote because the public would support the initiatives.

Among the Coalition's proposals are the elimination of the federal Department of Education and the transfer of its funds to local school districts; restricting pornography on cable television and the Internet; and abolishing the National Endowments for the Arts and Humanities and the Corporation for Public Broadcasting. (WFP)



Senator Phil Gramm, who denies a magazine's allegation that he invested in an off-color, anti-Nixon movie.

Gramm on Defensive Over Movie

WASHINGTON — Phil Gramm, a Republican presidential candidate, said Wednesday that he invested \$7,500 in 1974 to produce an R-rated movie called "Beauty Queens," but said the investment with a former brother-in-law turned out to be "a total loss" and that the movie was never made.

Mr. Gramm issued the statement in response to an upcoming New Republic magazine article by John B. Judis that says Mr. Gramm invested the money with his then brother-in-law, George Caton, and that it was later used to help finance the production of a different movie, an off-color, anti-Nixon film called "White House Madness."

"The only document I ever received, sent by my brother-in-law after I made the investment, said that he invested the money to help produce a movie entitled 'Beauty Queens,'" the statement said. "My brother-in-law told me it was to be an R-rated spoof of beauty contests. I never saw a script or received any other information about the movie and I was told today by the New Republic magazine that no such movie was ever produced." (WFP)

Threats Against Lawmakers Rise

WASHINGTON — The Republican revolution that has generated intense national interest in the work of Congress also has apparently spurred an increase in the number of threats against lawmakers.

The Capitol police, the 1,075-member force charged with protecting those who work on Capitol Hill, say threats against members of Congress through March of this year jumped by 43 percent over the same period in 1994. (LAT)

Aiming at HIV-Positive in Military

WASHINGTON — House Republicans are expected to introduce a bill to discharge more than 1,200 members of the armed services whom the Pentagon considers fit for duty but who have tested positive for the virus that causes AIDS.

Defense Department policy bars entry to recruits who test positive for the virus. But HIV-infected troops already in the military are allowed to serve in the United States as long as they are physically able, although they are barred from deployment overseas.

Now, Representative Robert K. Dornan, a conservative Republican from California who strongly opposes homosexuals' service in the military, intends to add a new restriction when the House national security subcommittee on military personnel, which he heads, considers its part of the Pentagon budget bill for the 1996 fiscal year.

Mr. Dornan would require an honorable discharge within six months of an HIV-positive diagnosis. (NYT)

Quote / Unquote

"If the Christian Coalition's proposed religious equality amendment is passed, said Rabbi David Saperstein, director of the Religious Action Center of Reform Judaism, 'the result will be groups competing for spaces and times to display religious symbols, judges evangelizing juries, military officers religiously testifying before their troops, public school teachers and supervisors organizing and leading religious activity.'" (WFP)

Away From Politics

A man who had been fired from a machine-tool company for fighting with co-workers walked back in and started shooting, killing three people and wounding two, the authorities in Asheville, North Carolina, said. James Floyd Davis, 47, threw two guns outside, emptied his pockets of bullets and surrendered. He was charged with three counts of murder. (AP)

In a decision that could release some of the passengers of the Golden Venture immigrant smuggling ship, a federal judge in Pennsylvania ruled that the immigrants have been wrongfully held by the Immigration Service since their arrival two years ago off New York and should be released on bond. (NYT)

Armed robbers took at least \$5 million in computer chips and memory boards in a heist at an Irvine, California, electronics distributor, the largest in a series of thefts prompted by the soaring value of high-tech parts. (LAT)

Darrell Gene Devier, 39, who raped and killed a girl, 12, was executed in the electric chair in Jackson, Georgia. (AP)

A former inmate of the San Diego jail has filed a claim for \$2,000 against his jailers for dental expenses. He says he developed four cavities because he was deprived of dental floss. (Reuters)

A coalition of 80 religious groups called for an end to gene patents in a move that scientists said could slow down groundbreaking research in genetic engineering. (AFP)

FBI Wins Court Appeal to Detain Suspect in Bombing

By George Lardner Jr.
and Walter Pincus
Washington Post Service

WASHINGTON — On Oct. 17, a man using the name Joe Kyle put down \$30 in cash and rented a 5-by-10-foot storage shed in Council Grove, Kansas. The next day, a man driving a dark-colored pickup truck turned up at a Kansas farm cooperative to buy 40 bags of ammonium nitrate fertilizer. He called himself Mike Havens.

The shed rental and purchase of nearly 2,000 pounds (900 kilograms) of fertilizer, which may have been used in the Oklahoma City bombing, are two of the events listed in an FBI affidavit to support charges lodged last week against Terry L. Nichols, 41, the second man charged.

The April 19 explosion claimed 167 lives.

On Thursday in Oklahoma City, the strength of the FBI's evidence was being tested in a makeshift courtroom at the El Reno Correctional Institution, 30 miles (50 kilometers) west of Oklahoma City. The occasion was a preliminary hearing to determine whether there was probable cause to support the charges brought against Mr. Nichols and keep him in jail.

[A federal magistrate found sufficient cause to hold Mr. Nichols without bail for further questioning, despite testimony from an FBI agent that phone records may prove he was not in Oklahoma City the day of the bombing. The Associated Press reported.]

[The agent, Errol Myers, said under questioning that there was some evidence that telephone calls were made

by someone with a male voice from Mr. Nichols's house on the day of the bombing.]

The FBI has been trying frantically to strengthen its case against Mr. Nichols and his army buddy, Timothy J. McVeigh, and to deal with unanswered questions about whether others were involved in the bombing.

The affidavit lists receipts and bomb-making materials found during a search of Mr. Nichols's home and suggests he began buying bomb-making ingredients in late September 1994. Thereafter, the FBI affidavit indicates, he stockpiled them in storage sheds in Council Grove and Herington, Kansas, that were rented under false names.

One person at a Council Grove storage-shed firm has since identified "Joe Kyle" as Mr. Nichols.

But none of the employees of the Mid-Kansas Cooperative Association in McPherson, Kansas, have been able to identify the person who bought the fertilizer as Mr. Nichols or Mr. McVeigh.

According to the FBI affidavit, Mr. Nichols rented his first storage shed in Herington on Sept. 22, 1994. A man using the name "Shawn Rivers" paid \$80 for a four-month rental through Jan. 22, 1995.

A month later, someone came in to extend the shed rental through May 22, again paying \$80 cash.

Mr. Nichols has told authorities that he cleaned out the shed in April. A man calling himself "Mike Havens," according to the FBI, bought his first ton of ammonium nitrate fertilizer at the Mid-Kansas Co-op in McPherson on Sept. 30.

In their search of Mr. Nichols's

home, the FBI found documents relating to rentals of two-story sheds in Council Grove. A man calling himself "Joe Kyle" rented a storage shed listing his address in nearby Manhattan, Kansas.

Someone using the name "Ted Parker" rented another shed on Nov. 7, listing his residence as Mr. Nichols's farm address in Decker, Michigan.

Building Will Be Razed

The remains of the Oklahoma City federal building will be demolished Tuesday using 100 pounds of dynamite, The Associated Press reported from Oklahoma City.

Under an agreement worked out by federal prosecutors and Mr. McVeigh's lawyer, Stephen Jones, defense investigators will be allowed to inspect the ruins until midnight Sunday.

Government Isn't So Bad, Americans Say

By Richard Morin
Washington Post Service

WASHINGTON — In the aftermath of the Oklahoma City bombing, a new Washington Post-ABC News Poll suggests that Americans have rallied in defense of a much maligned target: Big Brother.

Satisfaction with the federal government is up, the survey found. Anger is down. Most of those interviewed said they basically trust the government. A big majority said Americans are too quick to criticize.

In other ways, the survey suggests that Americans are re-examining just how angry they are with the government after seeing the tragic consequences of real rage in Oklahoma City.

"The bombing in Oklahoma just opened our eyes to what could happen and did happen," said Al Wendland, 53, a pharmacist in Elgin, Texas.

"It's sad, but the nation draws together to a certain degree," said Richard Evans, 39, an aviation technician in Huntington Beach, California.

At the same time, the survey found narrow but deep pockets of rage and suspicion. Six percent of those interviewed said the federal government remained their "enemy." Nine percent said violent action against the government was sometimes justified. One in eight said they supported the goals and activities of private armed militias.

But those relatively small percentages translate into millions of profoundly disaffected Americans.

While most Americans express basic trust in the federal government, a third remain suspicious and nearly 4 in 10 view Washington as at least a minor threat to their rights and freedoms. A total of 1,011 randomly selected adults were interviewed

May 10-14 for this poll. Margin of sampling error for the overall results is plus or minus 3 percentage points.

The survey and subsequent interviews conducted by Post reporters in Illinois, California and Texas found a nation still deeply shocked and broadly conflicted by last month's tragedy in Oklahoma City.

The poll found that most Americans still love to criticize the federal government, yet

'The bombing in Oklahoma just opened our eyes to what could happen and did happen.'

Al Wendland, a pharmacist in Elgin, Texas.

7 out of 10 interviewed also expressed broad support for its overall goals and activities.

And while many express deep suspicion of government, they fear the armed and anti-government militias more.

"I'm afraid one will flip out and blow up a city," said Tom Esker, 33, a bartender in Huntington Beach, California. "I'm not afraid the feds will blow up our cities."

Last month's explosion seemed to shatter at least for the moment the wall of easy cynicism that many Americans had built between themselves and their government. According to the Post-ABC News poll, the proportion of Americans expressing satisfaction with the federal government has shot up from 29 percent in January to 48

percent today, while those describing themselves as "angry" fell during the same period from 16 to 9 percent.

Overall, 50 percent of those interviewed still expressed dissatisfaction with the way the federal government operates. But that is down from 69 percent in January.

Many Americans also expressed dismay over the relentless anti-government rhetoric. Nearly 6 in 10 — 58 percent — agreed with President Bill Clinton's charge that some talk show hosts "spread hateful ideas and give the impression that violence is acceptable," with 4 out of 10 saying this was a "serious problem" and an equal proportion calling for greater restrictions on what people may say on the radio.

Likewise, three-quarters of those interviewed agreed that "people in this country are too quick to criticize the federal government," a view held even by a majority of those who expressed dissatisfaction with the government.

Many Americans, however, appear to dismiss any suggestion that such conflicting views are necessarily contradictory.

In fact, many of those surveyed said the right to criticize the government — sometimes harshly and even unfairly — was one of this country's greatest strengths. But not if the words become action.

Others see criticism of government as a reaction to the serious problems facing the country, problems that increasingly seem to be beyond the ability of government to solve.

"If you're the federal government you're going to get criticized," Mr. Wendland said. "It's just human nature when things go bad to try to point the finger at somebody and say this is why we're having all these problems. Criticism of the federal government is just a part of life."

A Police Bullet Ends Tank Thief's Joyride

Compiled by Our Staff From Dispatches

SAN DIEGO — A former U.S. soldier stole a 63-ton army tank and rampaged through several neighborhoods, flattening utility poles, fire hydrants and rows of cars before getting stuck on a concrete freeway divider. The police fatally shot the man as he tried to dislodge the tank.

More than 20 police cars pursued the tank at times, sirens wailing, as it careened wildly along busy freeways.

No bystanders were injured. The tank's weapons, a 105mm cannon, 12.7mm anti-aircraft gun and 7.62mm machine gun, were not loaded, said Major Ed Gale of the National Guard. The M-60 tank was taken from a National Guard armory.

The driver was identified as Shawn Nelson, 35, an unemployed plumber who had trained as a tank crew member in the U.S. Army and had served in Germany.

Neighbors said Mr. Nelson's life had been crumbling. His home in San Diego was apparently in foreclosure, his utilities had been shut off, he had broken up with his girlfriend and he suffered from chronic medical problems. Neighbors said he had talked about suicide.

But witnesses said that as he drove the tank, Mr. Nelson, whose head was sticking through the hatch much of the time, was smiling and laughing. "The expression on his face was: 'Hey, I'm having fun,'" a witness said.

The authorities were unsure how he managed to steal the tank from the armory, where 10 were stored. After the tank smashed through an armory gate about 6:45 P.M. Wednesday, it rumbled through quiet suburban neighborhoods. San Diego Gas & Electric officials said the tank bowled over power lines, knocking out electricity to about 5,100 customers. It plowed into at least 40 cars and a trailer home.

Finally, four officers leaped onto the tank and opened the hatch with bolt cutters as it rocked back and forth on top of a concrete road divider. They shouted at Mr. Nelson to surrender, but he tried to get the tank moving again.

One shot was fired, and Mr. Nelson was hit in the neck, a police spokesman said. The police said they shot him because they feared he would take the tank into the northbound lanes of the highway and endanger traffic. (AP, Reuters)

A Rifle Association Chief Apologizes for Remarks

The Associated Press

WASHINGTON — Backing away from its defense of a recent fund-raising letter that described federal agents as "jack-booted thugs," the National Rifle Association has offered an apology.

"I really feel bad about the fact that the words in that letter have been interpreted to apply to all federal law enforcement officers," Wayne LaPierre, the association's executive vice president, said in a telephone interview from Phoenix.

"If anyone thought the inten-

tion was to paint all federal law enforcement officials with the same broad brush, I'm sorry, and I apologize," Mr. LaPierre said Wednesday.

His apology came after a week of steadily mounting criticism of the lobbying group.

It began May 10 when former President George Bush resigned from the association to protest Mr. LaPierre's comments in the fund-raising letter. Early this week, President Bill Clinton joined the critics and praised Mr. Bush for his action.

Mr. Bush for his action.

The world's most powerful news-gathering network is making a deal with you. But only if you act now.

A special, low subscription price, plus two months free!

Unmatched information sources. A highly-distinguished staff of journalists around the globe. Concise reporting of all major news events, providing you with a unique international perspective. These are the privileges you enjoy when you follow the world every day in the International Herald Tribune. You can save a total of up to 50% off the cover price! Act now — this offer could be limited in time. So fax or mail the coupon today.

New Subscriber Offer

Mail or fax to: International Herald Tribune, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. For full information: Fax (+33-1) 41 43 92 10

Country/Currency	12 months + 2 months FREE	3 months + 2 weeks FREE	3 months + 2 weeks FREE
Austria A. Sch.	6,000	3,000	1,800
Belgium B. Fr.	14,000	4,000	4,200
Denmark D. Kr.	3,400	250	1,050
France F.F.	1,950	400	590
Germany D.M.	700	350	210
Great Britain £	210	32	65
Ireland Sh.	230	30	68
Italy Lire	470,000	150,000	145,000
Luxembourg L.Fr.	14,000	4,000	4,200
Netherlands Fl.	770	85	230
Portugal Esc.	47,000	44	14,000
Spain Ptas.	48,000	41	14,500
Hand deliv. Madrid Ptas.	55,000	50	14,500
Sweden (small) S.Kr.	3,100	30	900
Hand delivery S.Kr.	3,500	35	1,000
Switzerland S.Fr.	610	48	185

* For information concerning hand-delivery in major German cities call toll free 147 Germany at 0130-84 85 85 or fax (089) 175 413. Under German regulations, a 2-week free period is granted for all new orders.

Yes, I want to start receiving the International Herald Tribune every day. The subscription term I prefer is (check box):

- ☐ 12 months (+ 2 months free).
☐ 3 months (+ 2 weeks free).
☐ My check is enclosed (payable to the International Herald Tribune).
☐ Please charge my: ☐ American Express ☐ Diners Club ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard

Credit card charges will be made in French Francs at current exchange rates.

Card No. _____ Signature _____

Exp. date _____

For business orders, please indicate your VAT number: _____

(IHT VAT number: FR 74782021126)

☐ Mr. ☐ Mrs. ☐ Ms.

Family name _____

First name _____

Mailing Address: ☐ Home ☐ Business

City/Code _____ Country _____

Tel. _____ Fax _____

Herald Tribune
 THE WORLD'S DAILY NEWSPAPER

Casino
L'Enghien-les-Bains
 20 MINUTES FROM PARIS (Autoroute A15, direction Cergy-Pontoise)

 18 Roulettes, 18 Black-Jack,
 Chemin de Fer and Baccara,
 Punto Banco
 Open all year from 15^h until 04^h
 Are you one of the quarter of a million
 people who visit our casino each year?
 Restaurant "Le Baccara" - Tel.: 34.12.90.00

09/21/00 10:20

EUROPE

Sarajevo Forced to Put Sniper Barriers Back Up

SARAJEVO, Bosnia-Herzegovina — Sniper barriers went up along Sarajevo's main boulevard Thursday after the worst fighting in months in the Bosnian capital left 15 people dead and dozens wounded in three days.

Although the level of fighting had eased after artillery barrages and small-arms exchanges the killing of civilians continued. The fighting had been described by the United Nations as the worst in 18 months.

Three people were killed and nine were wounded by sniper fire and shrapnel from a shell that landed near a busy outdoor market in a residential area. One of the dead men was helping to put up a sniper barrier.

After an anti-sniper agreement and a ban on heavy weapons around the city were reached last year, most barricades, made from freight containers, were removed from Sarajevo. A four-month cease-fire brought further respite, but it ran out on May 1 and was not renewed.

The United Nations received assurances from the Bosnian Serbian commander, General Ratko Mladic, and General Mustafa Hajrudinovic of the Muslim-led government army that there would be no more fighting in Sarajevo, a UN spokesman said.

But there have been many such assurances from the warring parties, and few of them were honored for long.

Elsewhere in Bosnia, the United Nations said Serbs failed to gain ground along a vital supply corridor in the north after pounding Croatian forces in their Orasje enclave with artillery and tank fire for several days.

The Serbian attack, which began last week, appeared aimed at securing the narrow corridor that links Serbian-held territory in Bosnia and Croatia with Serbian-led rump Yugoslavia.

In northwest Bosnia, about 155,000 residents in the government-held Bihac enclave were reported by relief officials to be facing starvation unless its besiegers lifted their blockade on relief convoys.

"If nothing happens now, we are facing starvation," said Mans Nyberg of the UN High Commissioner for Refugees.

"We would need one convoy every day to get the situation there back to normal." The last complete UN refugee convoy reached the enclave on April 4.



A man being dragged out of the line of fire in Sarajevo after he was shot by a sniper Thursday. Three people were killed.

New Offer to Serbia Would Speed Relief

By Steven Greenhouse
New York Times Service

WASHINGTON — Grasping for ways to slow the renewed fighting in Bosnia, an American diplomat has presented Serbia's president with a new plan that would offer Serbia greater relief from sanctions than a previous rejected offer if in return it recognizes Bosnia's borders, Western diplomats said.

The officials said they hoped the new plan, which was presented to Serbia's president, Slobodan Milosevic, in talks on Tuesday and Wednesday in Belgrade, would win his assent because it offers him more relief from sanctions that were included in a plan that he had rejected last winter.

He had rejected the previous plan because he wanted sanctions eased before he recognized Bosnia.

The new plan promises faster sanctions relief after recognition of Bosnia than the previous plan.

[Mr. Milosevic could foresee

recognizing the international borders of Bosnia-Herzegovina in exchange for a significant easing in sanctions, Agence France-Presse reported Thursday from Belgrade. A source said talks on the issue between the Serbian president and Robert C. Frasure, the U.S. representative in the five-nation "Contact Group," had reached "an advanced stage."

[In Paris, meanwhile, France said Thursday that there had been progress in efforts to persuade Mr. Milosevic to extend formal diplomatic recognition to Bosnia, Reuters reported.

The new plan calls on Serbia to recognize Bosnia's borders — a step that Western diplomats say would be an important one toward reducing tension — and allow the United Nations to station more monitors along Serbia's borders to cut off trade between it and the Bosnian Serbs. The plan also calls on Serbia to grant limited recognition to Croatia.

In return, administration officials said, the United Nations would suspend economic sanctions on Serbia, except for the embargo on oil and arms.

"We hope it would be a defusing step that would back all the tensions down," a senior administration official said.

In the hope of getting Serbia to step up pressure on the Bosnian Serbs, the new offer suggests that all sanctions on Serbia would be lifted, and not just suspended, if the Bosnian Serbs accept a compromise map that would give Bosnia's Muslim-dominated government control of 51 percent of the country's land. The Bosnian Serbs, who now control more than 70 percent of Bosnia, would be given 49 percent.

American diplomats said the plan is intended to get Mr. Milosevic to apply more pressure on the Bosnian Serbs to make peace, to isolate them diplomatically and to cut off the flow of arms and goods that they need to continue fighting.

Serbian recognition would not lead to immediate peace in Bosnia since Bosnia's Serbs have grown increasingly defiant of Mr. Milosevic. Nonetheless, such recognition is considered

important because Mr. Milosevic, who is widely seen as having instigated the war, would in effect give up his dream of adding parts of Bosnia to a Greater Serbia.

The new offer was finalized a week ago at a meeting in Frankfurt of senior officials from the United States, Russia, Britain,

France and Germany. Mr. Frasure, a U.S. deputy assistant secretary of state, went to Belgrade this week to present the plan to Mr. Milosevic.

The United States sees Mr. Milosevic as the most powerful leader in the Balkans and a pivotal figure in any peace efforts in the former Yugoslavia.

BRIEFLY EUROPE

EU Chief Seeks Efficiency

BRUSSELS — The European Union must reinvigorate and streamline itself or risk disintegrating as it sets out to expand eastward, the president of the European Commission was quoted as saying Thursday.

"Now that we have decided to enlarge the community, we also have to make our institutions more efficient," Jacques Santer told the British newspaper Financial Times.

Without going into great detail, Mr. Santer said the costly Common Agricultural Policy — which swallows half the 15-nation Union's annual budget of 80 billion European currency units (\$102 billion) — would have to be reformed to cope with the prospective membership of the states along the EU's eastern border.

He added that the commission aimed to produce reform plans by the end of the year. "Reform is not just a question of principle," he said. "It is also a question of efficiency." (Reuters)

Farm Supports Denounced

BONN — The German agriculture minister, Jochen Borchert, on Thursday attacked what he called "outrageous" European Commission proposals to change the way farmers are compensated if currency fluctuations erode their income.

Addressing Parliament, he said some of the commission's arguments left him almost speechless and he asked whether the European Union executive's intention might be to abolish all protection for farmers for losses if currencies strengthened.

"My mistrust is great, very great," Mr. Borchert said. "For German farmers this is, to put it diplomatically, an outrageous proposal."

Mr. Borchert said German farmers had been hard hit by the mark's surge against other currencies, which had cut their exports and led to increased imports of cheaper foreign farm produce. (Reuters)

Poland Awaits Instructions

WARSAW — Prime Minister Jozef Oleksy renewed his request Thursday that Poland be told exactly what it must do to enter the European Union as quickly as possible.

After a meeting with Hans van den Broek, the EU commissioner for foreign affairs, he said: "We focused our attention on the vast mass of adjustment work which must be completed in Poland in a short time, to meet European Union

criteria." He added that Poland expected to play a greater role in the political dialogue that will lead up to EU membership.

Mr. van den Broek said he still could not give a firm date for Poland's entry into the Union because that depended on Warsaw's own progress in meeting economic and political requirements. But he said the EU would do everything possible to speed up the process.

"We are very much heartened and encouraged by the progress that has been made in Poland in the process of economic and political reform," he said, adding that high-level missions would be held in coming days to discuss trade issues. (Reuters)

Thumbs Down for the EU

VIENNA — After belonging to the European Union for just 150 days, nearly half of all Austrians want out, a poll published Thursday showed.

Last June, two thirds of Austrians voted in favor of joining the EU. Now, 47 percent say they would vote against joining, according to a survey by the Gallup institute for the weekly News here.

One of the main reasons for the EU's fall from favor was the feeling that membership had failed to bring such benefits as lower prices or significant economic growth, the poll said. (Reuters)

Calendar

European Union events scheduled for Friday:

BRUSSELS: Prime Minister Paavo Lipponen of Finland talks with members of the European Commission members.

BRUSSELS: Jacques Santer, president of the European Commission, attends European Round Table of Industrialists.

TUNIS: Manuel Marín, commissioner for relations with Asia, the Mediterranean and Latin America, visits for talks on the EU-Mediterranean accord.

FRANKFURT: Monika Wulf-Mathies, commissioner for regional policy, meets with managers of the Frankfurt Rhein-Main airport.

GDANSK, Poland: Hans van den Broek, commissioner for foreign affairs, attends the fourth annual Council of Baltic Sea States.

Sources: Agence Europe, AFP.

Tajik Leader Talks With Muslim Rebel

Agence France-Presse

KABUL — President Imom Rakhmonov of Tajikistan and Said Abdulloh Nuri, an Islamic rebel leader, held talks here Thursday aimed at ending their bloody civil conflict.

The bitter rivals have been brought together for the first time to negotiate the end of a war in the former Soviet republic that has left an estimated 50,000 people dead in more than three years of fighting.

Sources familiar with the meetings, which began late Wednesday, said they were intended to build up a personal relationship between the Tajik foes.

"If two brothers do not meet how can you hope to establish trust?" asked an adviser to the Muslim opposition.

Mr. Rakhmonov, a neoconservative who is backed by Moscow, paid tribute to his opponent in a brief statement before the meeting. The president described Mr. Nuri as "a great Tajik figure."

The main issues the two are discussing are a permanent cease-fire and a way to achieve regional reconciliation.

The rebels have made three main demands of Mr. Rakhmonov, who won a recent election and has been further strengthened by military gains. His government is supported by about 20,000 Russian-led forces from the Commonwealth of Independent States.

Mr. Nuri's Islamic Renaissance Movement wants an interim government made up of neutral figures to be set up in the Tajik capital, Dushanbe.

It also wants the rival camps, with troops from Iran, Pakistan, Russia, Turkey and European countries.

"And it demands that Russian troops withdraw from the Tajik province of Badakhshan, which they entered after a recent cease-fire."

The results of the talks may not become apparent until next week, when the two sides hold a new round of UN-organized negotiations in Alma-Ata, the capital of Kazakhstan. "This will lay the ground for the Alma-Ata talks," an opposition official said.

The United Nations is not involved in the Kabul talks, however.

The Afghan authorities have taken a lead role in organizing this separate meeting, although officially they are only offering a venue. President Burhanuddin Rabbani has already met with both men in the dispute.

The Afghan leader is an ethnic Tajik and speaks the same Persian language as Mr. Rakhmonov and Mr. Nuri.

And part of the problem concerns Afghanistan, because Mr. Nuri's rebels are based across the border there. Kabul and the Tajik government signed an agreement in 1993 on border security, but neither side has been able to do much to stop the rebels.

The Afghan authorities have tried to keep journalists as far away from the talks as possible.

Chechen Villagers Flee Heavy Russian Shelling

Reuters

NOVY ATAGI, Russia — Villagers streamed down from the mountains in southern Chechnya on Thursday, fleeing intensive shelling by Russian forces of rebel positions.

Russian troops unleashed unusually fierce mortar and artillery bombardments against the locality of Shatoi, about 50 kilometers (30 miles) south of the capital, Grozny, and shelled other rebel-controlled villages along the way.

Chechen officials said Russian planes had also been in action, making eight bombing sorties overnight on Shatoi and on two other villages.

The chief rebel spokesman, Movladi Udugov, speaking by telephone, was disdainful of the effectiveness of the Russian

military action. "There are a host of areas still controlled by the Chechens," he said. "Civilians who are angry with the bombings are taking up arms to join us. The Russian troops have no prospects."

The Russian assault followed a statement on Wednesday by a Russian officer that paratroop units would mount a push soon against separatist strongholds in the mountains.

A hospital at Novy Atagi, 20 kilometers south of Grozny, teemed with injured from the fighting of the past few days.

Russian troops have forced the separatists out of the towns. They are now trying to stop them from establishing mountain bases from which to wage a guerrilla war.

Business Message Center

Every Wednesday
Contact Fred Ronan
Tel.: (33 1) 41 43 93 91
Fax: (33 1) 41 43 93 70

or your nearest IHT office or representative

Comprehensive NEWS

coverage and informed comment.

It's all part of
Newsweek
THE INTERNATIONAL NEWSMAGAZINE

For subscription enquiries please telephone (44) 1753 524552 or fax (44) 1753 571617

INTERNATIONAL

Chirac Beefs Up Finance Ministry

Personal Loyalty a Key Factor As President Fills Out Cabinet

International Herald Tribune

PARIS — President Jacques Chirac appointed a new government on Thursday, giving a super-ministry for economics to Alain Madelin, 49, a free-marketeer who champions freer competition to spur French industry into better performance, especially in job creation.

Except for Mr. Madelin's role, the makeup of the overall government suggested that French policy, especially the domain of foreign affairs in security and economics, will be run by Mr. Chirac and Prime Minister Alain Juppé, 49.

Top cabinet posts went either to Chirac loyalists, including Jacques Toubon, who was named as justice minister with the rank of No. 2 in the cabinet, or else to center-rightists deemed unlikely to challenge the tightly knit Gaullist pair at the top.

The most important are Foreign Minister Hervé de Charrette and Defense Minister Charles Millon. Both are centrists whose presence provides reassurance about sharing power among the main conservative factions and about continuity in French attitudes toward European integration.

Both men earned their cabinet jobs by coming out early in support of Mr. Chirac's presidential bid, but neither has significant international experience. The junior minister to handle European affairs will be Michel Barnier, a Gaullist.

The new government includes a record 12 women, all in junior positions with the exception of Health Minister Elisabeth Hubert.

Mr. Juppé was foreign minister in the outgoing government of Prime Minister Edouard Balladur, and his top aide there — Dominique de Villepin, 41 — has moved over to Mr. Chirac's office as the presidential chief of staff. Juppé aides, many of them graduates of France's elite schools that also turned out Mr. Chirac and Mr. Juppé, have been split between his own office and Mr. Chirac's to ensure smooth teamwork.

Two prominent politicians will not be in the new government, Charles Pasqua and Philippe Séguin. Mr. Pasqua, the former interior minister, was shut out because he played a key role in backing Mr. Balladur, including an effort to garner support from former French colonies in Africa. To undo Mr. Pasqua's influence there, Mr. Chirac has brought out of retirement a veteran Africa hand, Jacques Foccart, 81.

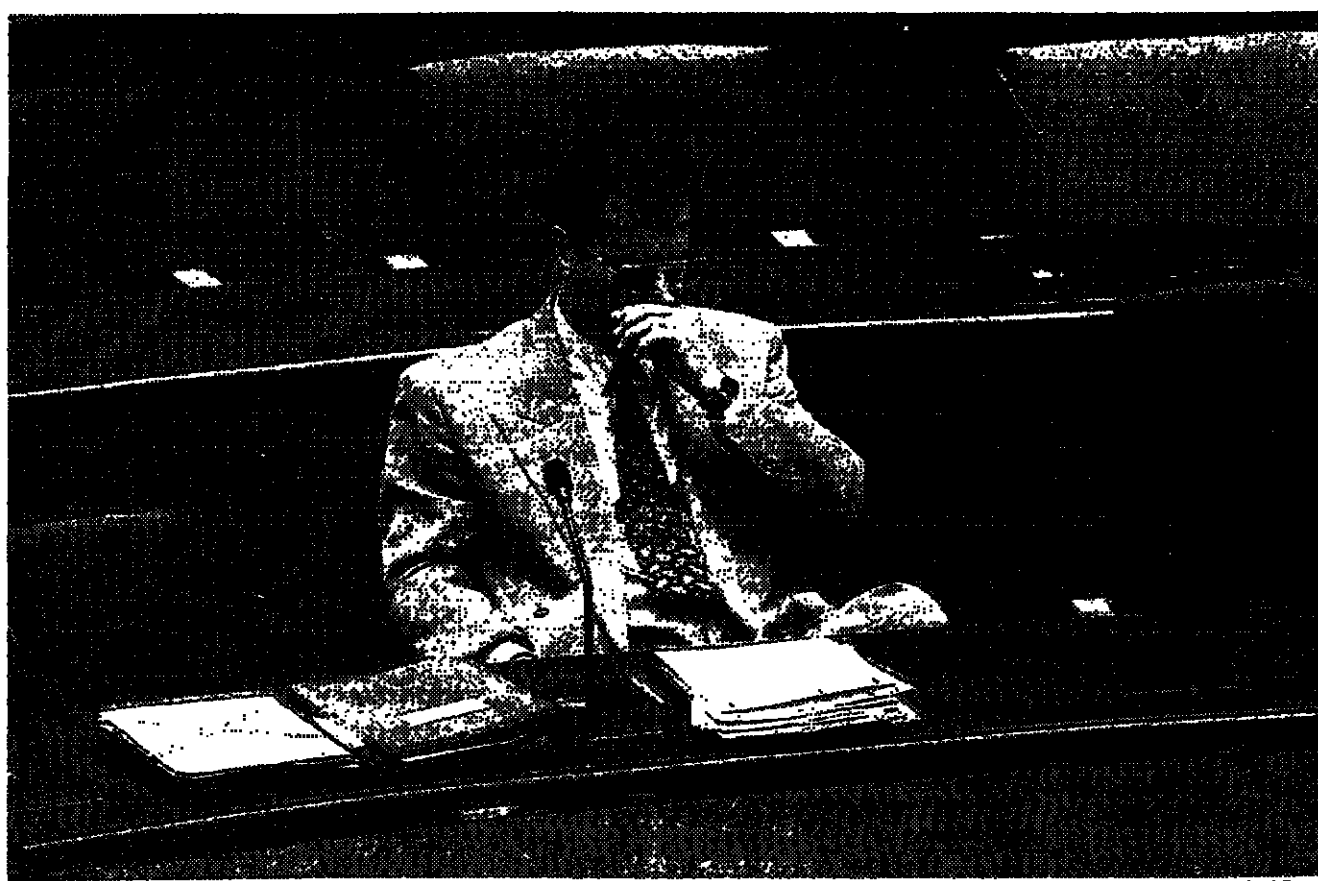
Mr. Séguin, the speaker of Parliament, is credited with a major role in Mr. Chirac's success, but he has stayed out of the government because he considers himself a potential prime minister if Mr. Juppé stumbles.

To deliver on Mr. Chirac's campaign pledges to attack unemployment and move government away from bureaucrats and closer to voters' real concerns, the cabinet includes new portfolios to deal with urban slums, the homeless and social exclusion.

The government's control over criminal investigations will be split between Mr. Toubon, who is considered Mr. Chirac's staunchest personal ally, and Jean-Louis Debré, the interior minister and a veteran in the Gaullist party apparatus.

The French Cabinet

Prime Minister: Alain Juppé.
Justice: Jacques Toubon.
Finance: Alain Madelin.
National Education: François Bayrou.
Territorial Management and Transport: Bernard Pons.
Foreign Affairs: Hervé de Charrette.
Defense: Charles Millon.
Interior: Jean-Louis Debré.
Parliamentary Relations: Roger Romani.
Labor: Jacques Barrot.
Culture: Philippe Douste-Blazy.
Economic Development: Jean Arthuis.
State Reform and Decentralization: Claude Gosselin.
Civil Service: Jean Puch.
Health: Elisabeth Hubert.
Integration: Eric Roaull.
Solidarity Between Generations: Colette Goddard.
Agriculture: Philippe Vasseur.
Industry: Yves Gollard.
Housing: Pierre-André Perissol.
Small and Medium Business: Jean-Pierre Raffarin.
Technology, Information and Posts: François Fillon.
Overseas Territories: Jean-Jacques de Peretti.
Environment: Corinne Lepage.
Youth and Sports: Guy Drut.
Tourism: Françoise de Panafieu.
Veterans Affairs: Pierre Ponsini.



Foreign Minister Kinkel at a Bundestag debate in Bonn on Thursday. He has been blamed for his party's misfortunes.

DUO: Chirac, With Kohl, Vows to Keep Strong Franc

Continued from Page 1

French-German entente doesn't change either.

Mr. Kohl congratulated Mr. Chirac on his victory, calling him "an old friend."

But he made clear that Germany would continue to press for closer integration among the 15 member nations of the European Union.

"What we don't want is a deluxe free-trade area, but what we want is European integration," Mr. Kohl said. "Europe will have a future if Germans and French stand together shoulder to shoulder."

German officials expressed concern that Mr. Chirac would take a more nationalist stance about pending reform of the European Union, frustrating German ambitions to strengthen the powers of the European Parliament and narrow the scope of national veto power in sensitive areas like foreign policy and judicial and police cooperation.

"It will be up to us to stop the French from hiding behind the British position," a senior German official said, referring to Prime Minister John Major's

hostility to proposals to deepen EU integration.

But for all the issues that could divide them ahead, the one-hour meeting and a subsequent dinner here was essentially a personal one for the two men, an opportunity for each to take the measure of the other and begin building the rapport that has characterized French-German relations since the days of de Gaulle and Adenauer.

On currency matters, Mr. Chirac's dilemma is clear. He has made it his first priority to slash the country's 12.3 percent unemployment rate but has almost no spending room if he wants to meet the Maastricht treaty's timetable for a single currency.

France's budget deficit has ballooned to around 5 percent of national output, well above the single-currency limit of 3 percent.

"Without France making a serious effort to reduce its budget deficit over the next two years, the prospect for monetary union is very bleak," said a senior EU official. The understanding, he added, is that Germany would never enter a cur-

rency union without France because the only other potential partners, like the Netherlands and Austria, are too small.

Jean-Jacques de Peretti, an economic adviser to Mr. Chirac, said doubts about Mr. Chirac's support for a strong currency were misplaced. "He is without doubt the man most focused on the strong franc," he told RTL radio.

Financial analysts, however, seemed almost as sharply divided over the direction of policy as Mr. Chirac's own advisers, although the appointment Wednesday of Alain Juppé, a pro-European, as prime minister had swayed the balance heavily in favor of continuity.

Investors, however, remember that in 1992, when France was sinking into economic recession, Alain Madelin, a militant free-marketier who was named to the powerful post of finance minister, argued for severing the link between the franc and the Deutsche mark so that interest rates could be cut and the economy could get a boost.

VETO: Arabs Angered

Continued from Page 1

pean Commission official said. "It puts us completely at loggerheads with them; we are furious with both the Israelis and the Americans."

EU sources say postponement of a long-delayed trade agreement with Israel could be the first tangible result. "I do not see how we can go on with this at the moment," said another senior EU source.

Relations between the EU, the biggest single donor to the Palestinians, and Israel were already tense over an Israeli refusal to allow aid money to reach Arab East Jerusalem.

A last-minute effort at the United Nations to replace the resolution with a Security Council presidential statement, which carries less weight, failed Wednesday after Russia proposed a draft that was still too strong for Washington and too weak for the Palestinians, who wanted a formal vote.

Diplomats said Russia had introduced the alternative with the encouragement of Washington, though it was clear that a majority would back the original resolution, which had been debated and watered down since last week.

The resolution, which carried no sanctions or other punitive consequences, asked Israel "to rescind the expropriation and to refrain from such action in the future."

The resolution, introduced on behalf of the Palestinians by Oman, with the joint sponsorship of Botswana, Honduras, Indonesia, Nigeria and Rwanda, declared the expropriation of the land in Jerusalem in late April illegal under earlier UN resolutions, a statement the U.S. delegation called "legally questionable."

"This council is not able — and should not seek — to try to resolve sensitive issues in the Middle East peace process," Madeleine K. Albright, the chief U.S. representative, said in a statement to the council.

"That is for the parties, who must live with the outcome of those negotiations."

"The United States has expressed the view that the Israeli notice to expropriate land in Jerusalem is unlawful. Clearly, this Israeli decision does not move the peace process in the right direction. But by injecting the council into this issue, this resolution would merely compound the problem."

But a U.S. official also described the resolution as "politically stupid" because it could cause Israel to become even more hard-line on the issue of land rights. (Reuters, NYT)

KINKEL: Planning to Quit

Continued from Page 1

the rank-and-file at a party convention; that crisis followed a federal election in which the Free Democrats narrowly won enough votes to remain in the Bundestag, Parliament's lower house, and to provide Mr. Kohl with a governing majority for another four years.

Despite the misfortunes of his allies, Mr. Kohl has maintained his trademark optimism and the coalition in Bonn appears secure. Riding a flourish of public goodwill, the chancellor appears to believe he is amassing sufficient clout to have his way in Bonn regardless of the Free Democrats' wobbly state.

The recent setbacks have been bitter for the Free Democrats, who have been junior partners in all but two of the 17 governments formed in Bonn since 1949. After serving with the Social Democrats from 1969 until 1982, the Free Democrats changed horses to the Christian Democrats, giving Mr. Kohl the chancellor's office he has held ever since.

CLASH: Trade Experts Sparring

Continued from Page 1

Trade Agreement and the World Trade Organization.

He has dominated China policy — often to the chagrin of the State Department — calculating correctly that the Chinese would back down in the face of sanctions over the violation of intellectual property rights.

Now, with far bigger stakes, he is trying the same strategy with the Japanese.

"In the 1950s and the 1960s we could afford to open our markets and let countries like Japan maintain sanctuary markets," he said Wednesday. "There was a Cold War on, and it was the right policy at the time. But we can't afford to do it anymore. We were 40 percent of the world economy then, and we are 20 percent of the world economy now."

Mr. Hashimoto also talks of a new age, an age in which Japan emerges from America's shadow and stands up for itself.

He has vowed that this trade dispute will be different from all others, that Japan will not back down at the last minute. Whether he is bluffing is the subject of endless speculation in State Department cables and the analysis that pours out of the CIA station in Tokyo.

This is hardly the first time U.S. demands have gotten Mr. Hashimoto's back up. During the Gulf War in 1991, when he was finance minister, the U.S. ambassador to Tokyo, Michael

H. Armacost, was pressing for Japan to make a huge contribution to the effort.

Mr. Hashimoto resisted, but in the end he was forced to back down. Japan paid \$13 billion, and Mr. Hashimoto let it be known he thought America was not sufficiently grateful for the contribution.

Moreover, he resented the pressure and Mr. Armacost's quickness to do an end-run around him, negotiating with one of his biggest political rivals, Ichiro Ozawa.

If the U.S. administration finds Mr. Hashimoto prickly and unpredictable — he and Treasury Secretary Robert E. Rubin are on particularly bad terms — so do his own bureaucrats.

Mr. Hashimoto has been known to walk into negotiations and toss aside his notes, to the horror of his minions. That happened last fall, when he and Mr. Kantor broke a deadlock over the importation of American-made glass to Japan, one of the country's most hermetically sealed markets.

"He's pragmatic, realistic," Mr. Kantor said of his sparring partner. "I don't see him as an impediment."

Whether Mr. Hashimoto will be an impediment is unclear. He has often accused Mr. Kantor of moving the goal posts, and has wondered aloud whether the Clinton administration really wants an agreement.

RIVIERA: A Refuge for Russians

Continued from Page 1

off a dozen notes to pay the \$1,100 tab and ambled back to their hotel.

"They love to shop for the most exclusive name brands, spend a lot of time on the beach and go off gambling at night," said Michel Palmer, director of the Négresco Hotel, a Belle Epoque architectural masterpiece whose 18-foot (5.5-meter) crystal chandelier holds special appeal for Russian guests. It is one of two crafted by the House of Baccarat at the behest of the Czar Nicholas II; the other illuminates the Great Hall of the Kremlin.

Mr. Palmer has ordered up a Russian menu at the hotel's plush Chateaufort restaurant, where Slavic palates are more inclined toward meat, potatoes and vodka than toward the subtler arts of French cuisine.

"We have to adapt to the needs of our guests," he shrugs. "The Americans used to be first, now they are number four. The Russians have their own special pleasures, and they pay cash."

The more serious Russian money, however, comes here looking for something other than tourism. The World Bank has estimated capital flight since the collapse of communism at close to \$50 billion; with the ruble plunging, crime and corruption soaring and political stability still a question mark, many affluent Russians are searching desperately for safe places abroad to park their assets.

In a remarkably short time, Russian money has become a big player in some of Europe's most prized real estate markets. Besides the French Riviera, the Russians are buying up apartments and villas along Spain's Costa del Sol and the Turkish coast, in Cyprus and Greece, and even the heart of London.

Sending an opportunity for big profits, Vladimir Ponomarenko moved to Nice four years ago from Moscow to set up a business to help fellow Russian investors who wanted to protect their wealth and rediscover the delights that first attracted the czars to the Riviera.

"This place has everything that Russians want: pleasant people, warm weather and a special historical tie to the homeland," Mr. Ponomarenko said while sitting in his office near the Nice airport. "Since the situation is so unclear back home, it is only natural that more and more people are trying to get their money out by putting it into foreign property or banks. I tell my friends this is the place where they should come."

Besides a place to preserve their nest eggs, wealthy Russians also are looking for other kinds of security. With rich families in Moscow and St. Petersburg becoming targets for kidnapping, extortion or even assassination, Mr. Ponomarenko says many of them are eagerly looking for other residences located in the relative safety of Western Europe.

These exiles include Vladimir Gusinsky, chairman of the banking and real estate conglomerate known as the Mgd group, who is reputed to be Russia's wealthiest citizen. He has purchased extensive property in Spain and London and is now believed to spend most of his time at a \$10 million villa near Marbella.

By purchasing property for himself and his Russian clients, Mr. Ponomarenko estimates he has invested about \$40 million in the Riviera's economy. To his chagrin, his efforts to build economic bridges between Nice and Moscow have not been entirely appreciated by local authorities. Tax collectors have poked into his affairs in the apparent suspicion that he might be laundering money from the Russian mafia, for worse.

"In most places I would be decorated for attracting investments that help create jobs for the local French economy, but here I get asked all sorts of questions by the tax police," he complained. "I'm not interested in handling dirty money; mine is clean. But if this kind of harassment continues, the French are going to scare off Russian investors, just like they scared off the Americans and the Arabs."

JUNE 1995

29 THURSDAY 30 FRIDAY

Balkans Investment Summit

— Vouliagmeni, Greece —

MARK YOUR DIARY!

The International Herald Tribune and the American Hellenic Chamber of Commerce are convening a major conference on the outlook for trade and investment opportunities in the Balkan countries. The aim of the conference will be to provide an opportunity for dialogue at the highest level between Balkan government, business and financial leaders and their counterparts from around the world.

A mix of plenary sessions and in-depth workshops will ensure delegates will have the opportunity to meet and do business with the key decision-makers in the region.

FOR FURTHER PROGRAM DETAILS, PLEASE CONTACT:

International Herald Tribune
63 Long Acre, London WC2E 9JH, UK
Tel: (44 171) 836 4802
Fax: (44 171) 836 0717

AMERICAN HELLENIC CHAMBER OF COMMERCE

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Continued from Page 1

pean Commission official said. "It puts us completely at loggerheads with them; we are furious with both the Israelis and the Americans."

EU sources say postponement of a long-delayed trade agreement with Israel could be the first tangible result. "I do not see how we can go on with this at the moment," said another senior EU source.

Relations between the EU, the biggest single donor to the Palestinians, and Israel were already tense over an Israeli refusal to allow aid money to reach Arab East Jerusalem.

A last-minute effort at the United Nations to replace the resolution with a Security Council presidential statement, which carries less weight, failed Wednesday after Russia proposed a draft that was still too strong for Washington and too weak for the Palestinians, who wanted a formal vote.

Diplomats said Russia had introduced the alternative with the encouragement of Washington, though it was clear that a majority would back the original resolution, which had been debated and watered down since last week.

The resolution, which carried no sanctions or other punitive consequences, asked Israel "to rescind the expropriation and to refrain from such action in the future."

The resolution, introduced on behalf of the Palestinians by Oman, with the joint sponsorship of Botswana, Honduras, Indonesia, Nigeria and Rwanda, declared the expropriation of the land in Jerusalem in late April illegal under earlier UN resolutions, a statement the U.S. delegation called "legally questionable."

"This council is not able — and should not seek — to try to resolve sensitive issues in the Middle East peace process," Madeleine K. Albright, the chief U.S. representative, said in a statement to the council.

"That is for the parties, who must live with the outcome of those negotiations."

"The United States has expressed the view that the Israeli notice to expropriate land in Jerusalem is unlawful. Clearly, this Israeli decision does not move the peace process in the right direction. But by injecting the council into this issue, this resolution would merely compound the problem."

But a U.S. official also described the resolution as "politically stupid" because it could cause Israel to become even more hard-line on the issue of land rights. (Reuters, NYT)

BUDGET: House Passes Measure

Continued from Page 1

nual federal spending would still rise, albeit more slowly, to \$1.8 trillion.

But as Republicans themselves acknowledged, the government would be a far smaller and less-encompassing enterprise. It also would be less generous: In all likelihood, many welfare programs would be farmed out to the states, corporate and individual subsidies abolished or reduced, and the ballooning Medicare program placed on a strict fiscal diet.

Democrat after Democrat accused the majority of pillaging the government programs aimed at society's most helpless — the poor, the elderly, the uneducated — to fatten the monied class. They were particularly enraged by Republican plans to reduce the growth of spending on programs that had been the pillars of Democratic policy for decades: Medicare,

Medicaid and subsidized loans for college students.

"If the American people are given a moment to consider it, they will find the Republican budget is so much more reckless, so much more extreme than any budget that has come before, it really belongs in the Guinness Book of World Records," Representative Gephardt said.

"To make it worse, what is all this for? It's for a tax cut that lavishes the most on those who have the most."

Democrats said the Republican proposal would slash Medicare benefits, reduce the quality of care and raise its cost to retirees by more than \$3,500 over seven years.

Republicans said they would spend \$1.6 trillion on Medicare over the next seven years, twice as much as in the last seven years, and that annual spending would continue to rise by 5.4 percent, on average.

Harold C. Deutsch, Dies, World War II Historian

New York Times Service

NEW YORK — Harold Charles Deutsch, 90, a retired University of Minnesota historian who wrote extensively on World War II, the German military and postwar Europe, died of kidney failure Sunday at his home in White Bear Township, Minnesota.

Mr. Deutsch's familiarity with Europe went back to the 1920s and 1930s when he studied at the University of Paris, the University of Vienna and the University of Berlin. He joined the Minnesota faculty in 1929 and retired in 1972.

During that period he spent 10 years in Europe, becoming fluent in German and French. He served overseas in World War II as head of research for the Office of Strategic Services, a forerunner of the CIA.

Shortly before he died, he finished work as editor and contributor to a book, "What If: The Might-Have-Beens of World War II." The university said it is expected to be published this summer.

He is also author of "The Conspiracy Against Hitler in the Twilight War" and "Hitler and His Generals: The Hidden Crisis, January-June 1938."

Eric Porter, 67, Stage Actor And Star of 'Forsythe Saga'

LONDON (Reuters) — Eric Porter, 67, a reclusive British stage actor best known for his leading role in the television drama "The Forsythe Saga," died Monday in a North London hospital while being treated for colon cancer.

Mr. Porter will be best remembered for playing the hero Soames Forsythe in "The Forsythe Saga," a role that won him many awards. The period drama was one of the most successful in the history of the BBC.

Harry E. Bergold Jr., 63, an official and diplomat who provided information to journalists that led to the discovery that U.S. government funds were being sent illegally to anti-Sandinista fighters in Nicaragua, died Tuesday at his home in Paris.

Dr. Hao Wang, 73, a logician who sought a way to link mathematics to philosophy, died of lymphoma Saturday at New York Hospital.

The Reverend Benjamin C. Bubar Jr., 77, the former leader of the Maine Christian Civic League and twice a third-party U.S. presidential candidate, died Monday in Waterville, Maine.

WE ARE PROUD OF OUR ROOTS



Ruth Praver Jhabvala
Henry James
Jean Rhys
Thomas Keneally
Michael Hirst
Michael O'Donoghue
H R F Keating
Anita Desai
Carson McCullers
HE Bates
Evan S Connell
Francis King
E M Forster
John Masters
Kazuo Ishiguro
James Corbett
George S. Brown
Junichiro Tanizaki
Joseph Moncure March
Tama Janowitz
V S Naipaul

MERCHANT IVORY PRODUCTIONS
 New York • London • Paris • Bombay

INTERNATIONAL

Gondoliers Sing the Blues

Venice Canal Cleanup Is Hurting Business

By Celestine Bohlen
New York Times Service

VENICE — It has been almost 50 years since Venice last cleaned its canals, and the dirt and smell were beginning to get out of hand, as when any housecleaning is put off too long.

Venetians themselves, typically defensive about the city's periodic and characteristic bad odor, had to admit that the smell was a bit strong, particularly in the back canals where at low tide there was only 15 inches of water, sloshing over six feet of mud.

In some neighborhoods, the mud was so high that fire and ambulance boats couldn't get through. Even gondoliers were unable to get their sleek black vessels through the muck.

Yet, now that the city has begun dredging its internal waterways, who is complaining? The gondoliers of course, whose livelihood depends on the canals and on the tourists who pay about \$75 for a half-hour glide through darkened waters.

"It is a tragedy for those of us who work this job," said Stefano, 36, a gondolier who refused to give his last name. He berths his gondola in a small canal near the opera house, Teatro La Fenice, where the city has already blocked off several sections of canals for dredging.

"I am not saying they should not clean the canals, I am saying it should be done quickly," Stefano said as he steered the gondola through a circuitous route around the closed areas. "But we can only protest so much, because these things are necessary."

The complaints prompted the Institute for the Conservation of the Gondola and the Protection of the Gondolier to call for a demonstration by gondoliers, but that was put off when the city agreed to speed the work and to consult with the gondoliers before shutting off particularly popular canals.

Luckily, both the Grand

and the Giudecca canals — the two largest — get a twice-daily scouring by tidal waters. Fulvio Scarpa, leader of the city's 403 gondoliers, said they still insist on reopening the canals around La Fenice by May 30, or else they will go ahead with plans to block off 10 canals. "And if that doesn't work, we will end up closing off the Grand Canal," he said.

The canal-cleaning project has already been much delayed.

"I am not saying they should not clean the canals, I am saying it should be done quickly. But we can only protest so much, because these things are necessary."

A gondolier

This time, it took a national law, passed in 1992, and then more than a year of inter-jurisdictional quarreling to figure out who had the responsibility for the \$10 million project.

Dirty canals are the least romantic of Venice's problems. Several years ago, the world responded with alarm to reports that the city was sinking, but that threat subsided after industries on the mainland were ordered to protect the water table.

The elaborate \$5 billion Moses project, a flexible sea-wall with a series of flap gates that would stretch along the lagoon and block high tides from reaching the city, has been put on hold, awaiting further study.

After they drain the canals of water, the next task is to get rid of the mud, which is

expected to pile up to a whopping 500 cubic meters (17,660 cubic feet). When Venice last cleaned its canals, in the 1950s, the mud was dumped in the lagoon.

Now, with new environmental laws in force, it must be separated and catalogued, with the most polluted part sent to the treatment plant and the least polluted destined to shore up two islands in the lagoon, including San Michele, which is Venice's cemetery.

Dredging finally began in October, starting in the La Fenice neighborhood where a mile of canals is being drained in 100-yard sections. Over the next 20 years, Venice hopes to drain and clean all 30 miles of its internal waterways, but Giovanni Sandri, who heads the city's technical office, said the cost of finishing the job would be 10 times the budgeted amount.

"In general terms, there has never been so radical an intervention in the city canals," Mr. Sandri said. "It is not just a cleaning. We have to take out the mud, reinforce the foundations of the buildings, public and private, and modernize the sewer system."

Under a formula that dates back to the republic, the city pays 75 percent of the cost of reinforcing foundations of private houses.

Venice's sewerage is a touchy matter, since there are no pipes linking the old part of the city to its treatment plant.

Most palazzos have their own septic tanks, but there is a certain amount of seepage — the city engineers estimate 10 to 20 percent — which explains much of the *guassa*, the word for stench in the Venetian dialect.

Venetians insist this particular smell is no more unhealthy than the smog and pollution of automobile-clogged cities.

"I must demythologize the smell of Venice," Sandri said. "The bad smell happens only a few times, when it is very hot, and the pressure is low, and it is not tragic."

Panel Votes To Merge 3 Agencies in State Dept.

By Thomas W. Lippman
Washington Post Service

WASHINGTON — On a straight party-line vote, the Senate Foreign Relations Committee has approved a bill to abolish three government foreign policy agencies and merge them in shrunken form into a reorganized State Department.

Barring a revolt on the Senate floor — unlikely, given the solid Republican support and a pledge from the majority leader, Senator Bob Dole, to push the bill through by July 4 — the vote appears to doom the Arms Control and Disarmament Agency, the U.S. Information Agency and the Agency for International Development, which administers foreign aid.

They would be sharply reduced in size and mission over the next two years, then merged into the State Department.

A similar measure has been approved by the House International Relations Committee. Several thousand jobs would be abolished, and AID posts overseas would be eliminated. The Senate bill includes \$225 million to be spent in fiscal 1996 and 1997 for "transition activities," including buyouts.

The administration opposes the merger, but Republican strategists are trying to make the bill veto-proof by including the reorganization and what remains of foreign aid funding in the same measure.

Representative Robert L. Livingston, the House Appropriations Committee chairman, has pledged not to appropriate any money for international operations next year unless the authorization measure has been approved first.

For investment information
Read the MONEY REPORT every Saturday in the IHT



GOING WITH THE GRAIN — Prince Norodom Ranariddh, the Cambodian prime minister, being carried Thursday to attend the Chrot Prea Neang Kori ceremony marking the beginning of the rice season in the country.

Orthodox Jews in Israel Flip Their Wigs

By Barton Gellman
Washington Post Service

JERUSALEM — For six months or more there was only a poster campaign that brought a rarefied Talmudic debate to the streets.

Wigs, declared the anonymous authors, are wanton and immodest and in no way adequate head coverings for married women.

"When the Messiah comes, the first thing he will do is eliminate the wig," proclaimed one such message on the walls and kiosks of Jerusalem's rigorously Orthodox Jewish neighborhoods. "A woman who wears a wig is preparing herself for hell."

Aliza Lipshitz, who owned a wig shop and found that poster outside her door, was unpersuaded. A married woman, she agreed, must not display her naked hair in public. But wigs are thought sufficient cover among the rabbis of her strict Gush Hasidic sect, and most of her customers were ultra-Orthodox Jews.

Then, two weeks ago, someone burned the Lady Wig Salon to a hollow shell.

After two decades in the same storefront in the Geula neighborhood, which is adjacent to the better-known Orthodox enclave of Mea Shearim, Mrs. Lipshitz arrived to an acrid stench of burned synthetics beneath the charred sign advertising her "big collection of hats and fashion accessories."

Now many of Mrs. Lipshitz's neighbors are waiting for the other shoe to drop.

Provocations like this, they say, do not tend to go unanswered in disputes among haredim — the preferred self-description of the rigorously Orthodox, from the Hebrew word for those who tremble before God.

Menachem Friedman, a sociologist and an authority on ultra-Orthodox society, said these Jewish fundamentalists were fighting "an ongoing war" of religious culture that spills only irregularly into open view.

The police say the fire was clearly arson, but they have no suspects in custody and acknowledge that Jewish fundamentalists prefer to solve their problems among themselves.

Coercion is common enough in rigorously Orthodox disputes, but it does not tend to make headlines here unless it has some effect on the majority of secular Israelis.

It often does. By stoning cars and blocking streets, the rigorously Orthodox have gradually put more and more of Jerusalem off-limits to automotive traffic on Saturday, the Jewish Sabbath. And billboard advertisers were forced years ago to stop displaying women in bathing suits on bus shelters after Orthodox protesters began burning the advertisements, shelter and all.

What distinguishes the war of the wigs from these other battles? Tamar Elor, a professor at Hebrew University, said that "this time they were not burning some secular store. She's an Orthodox woman selling something that Orthodox women wear."

Mrs. Elor, the author of a book on rigorously Orthodox women, said flashes of violence often marked the inner conflict of the haredi world. Some are small incursions at the borders of traditional influence among the sects. Other violence is the work of individuals who want to show by bold acts that they are righteous. And some comes from the minorities who fight back when they feel their customs are threatened.

"This community is all the time rearranging itself," Mrs. Elor said. "It's not a frozen community."

The argument over wigs is a serious religious matter to Jews. Since the Middle Ages, Jewish men have used a skullcap to express their humility before God. For married women, the obligation to cover the hair is one of sexual purity, to avoid tempting other men.

Wigs began as a custom of the Ashkenazi, the Yiddish-speaking Jews of Eastern Europe. The Sephardic Jews, of Middle Eastern and North African origin, urge women to wear head scarves or hats instead.

Women of the strictest European sects shave their heads and wear only black scarves to cover their baldness.

At the Lady Wig Salon's blackened facade, Yossi Berkovitz, a yeshiva student, said most religious disputes were resolved by rabbis, as they should be. "I am absolutely opposed to any sort of thing like this."

But other neighbors said violence was far from rare.

BOOKS

KNOTTED TONGUES: Stuttering in History and the Quest for a Cure

By Benson Bobrick. 240 pages. \$22. Simon and Schuster.

Reviewed by Richard Restak

Think of yourself on the highway. It's dark. You're in a hurry. No traffic. You squeeze on the gas. Suddenly, out of nowhere, directly in front of you, looms the terrifying back of a huge truck. You slam on the brakes, spin the wheel, swerve, pray. Anything to keep from colliding. This is a description by a young stutterer of how it feels to suddenly encounter a stutter-inducing word.

Some 2.5 million Americans and 55 million people worldwide suffer the disorder, which afflicts men four times as frequently as it does women, typically emerges between the ages of 2 and 7, when the child begins to perfect muscle coordination and language skills.

Once established, the disorder varies greatly in expression. Some stutterers are at their worst with strangers, others with intimates; some stutter more when in conversation, others when reading aloud. The most taxing experiences for almost all of them involve speaking on the telephone, saying their own name or carrying out introductions.

In this work, Benson Bobrick, a historian who is himself a former stutterer, provides an illuminating and insightful, though sometimes repetitious account of this disorder over the centuries.

Every stutterer holds his own theory about the origins of his stutter. Bobrick believes he incorporated his mother's stutter

after her early death "as a way of clinging to some part of her once she was gone."

Stutterers also employ variously successful methods of coping. Lewis Carroll and Winston Churchill discovered that they did best by preparing their comments well in advance; Cotton Mather relied on a slow, deliberate delivery; Henry James regularly interjected "mm," "er" and "ah" into his speech.

Stutterers have also relied on various maneuvers to avoid "a difficult sound." Sentences may be scanned ahead and a synonym resorted to. If none readily comes to mind, the entire sentence may be reconstructed.

A theory extending back to Aristotle postulates a difficulty moving the tongue into position for the utterance of successive sounds. Treatment consisted of gargling with solutions of pennyroyal, hyssop and thyme. If that did not work, surgical dissection was carried out on the frenum, the ligament attached to the bottom of the tongue, which was thought to restrain or bridle its movement.

During the 19th century, the emphasis shifted from the frenum to the tongue's intrinsic neurological organization. Surgeons excised a triangular bit of tissue from the root of the tongue. Enthusiasm for these mutilating, dangerous and painful operations waned in the face of a blistering attack on the procedure in 1841 in the English medical journal *Lancet*.

Competing theories of causation emphasized psychological rather than physical causes. Psychoanalysts concentrated on "fixation theories," especially conflicts over excremental function, with stuttering considered analogous to constipation. Today most experts believe stuttering results from a devel-

opmental disorder of the nervous system. According to Ronald Webster of the Hollins Communications Research Institute, stuttering is an inherited, physically based "motor control disorder" involving undue force in the movement of the 100 or so muscles involved in speech along with a disturbance in auditory feedback (the stutterer hearing his own speech). Since the average person speaks between 120 and 180 words per minute, producing 600 vocal-tract shapes in that interval, there's room enough for a lot of "motor errors."

A treatment program based on Webster's theory emphasizes speaking slowly and coordinating one's words, some-



times with the help of several portable electronic devices about the size and appearance of a hearing aid. A year after completing a program using this approach, Bobrick was able for the first time to accept interview requests and has "settled down since."

But despite such successes, scientists still do not understand the neurological basis for stuttering. "The real scientific debate has to do with the precise neurological or language processing involved," concludes Bobrick.

Richard Restak, a neurologist and neuropsychiatrist, wrote this review for *The Washington Post*.

BRIDGE

By Alan Truscott

STUDY the diagrammed deal and try to answer this question: If the contract is four hearts by South and the lead is the spade jack, would you prefer to play or defend?

A splendid array of 52 such deals has been collected by Dr. Andrew Dioso under the title "There Must Be a Way." It is available for \$11.95 postpaid from Master Point Press, 74 Riddle Avenue, Toronto, Ontario M6B 1J3, or (800) 749-3292.

These deals will give an analyst many happy hours of head-scratching. (No bidding is given.) The one shown in the diagram is from a section titled "Not too hard."

It might seem that South is on the way to making his contract, and that is true against passive defense. He ruffs the opening lead and drives out the top hearts. If East plays spades at every chance, South will eventually draw the missing trump, concede a diamond trick and make his game. Dummy's

diamonds take care of declarer's potential club losers.

But an alert East will shift to a club — any club — at his first opportunity. This gives away a trick, but defeats the contract because West obligingly has the club ten. The defense then perseveres with clubs, and will take the setting trick in that suit when East eventually gains the lead with the diamond king. South is just too late.

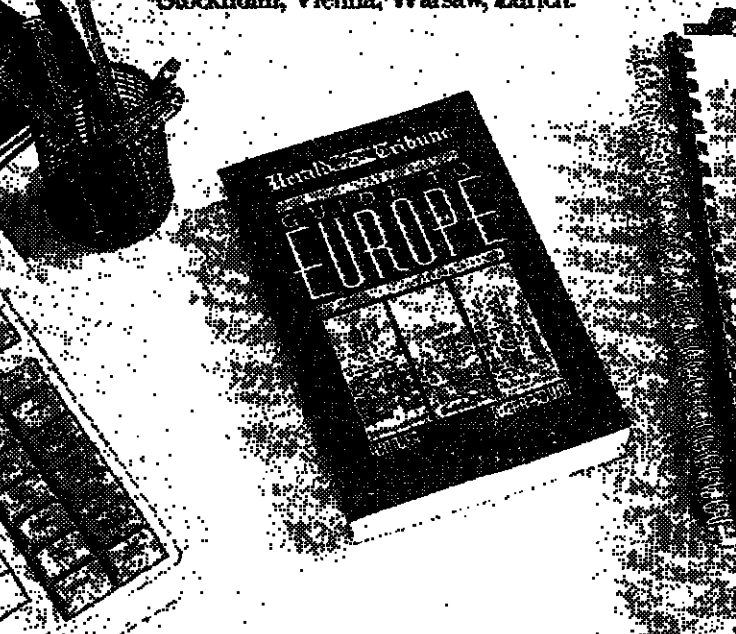
NORTH (D)
♠ Q64
♥ 984
♦ A Q J 9 8
♣ A Q J 9
EAST
♠ K J 10 3 2
♥ 7 2
♦ 10 4 3
♣ 10 6 5 4
SOUTH
♠ —
♥ Q J 10 8 7 5 4
♦ 8 7 3
♣ 8 7 2

East and West are vulnerable. The bidding: North — East — South — West 1 N.T. Pass Pass Pass Pass West leads the spade jack.

All of Europe in one place.

The authoritative business traveler's guide to 32 European cities, East and West.

Amsterdam, Athens, Barcelona, Belfast, Berlin, Brussels, Budapest, Copenhagen, Dublin, Düsseldorf, Edinburgh, Frankfurt, Geneva, Helsinki, Istanbul, Liechtenstein, Lisbon, London, Luxembourg, Lyon, Madrid, Milan, Moscow, Munich, Oslo, Paris, Prague, Rome, Stockholm, Vienna, Warsaw, Zurich.



THIRD EDITION
Fully updated for 1995

If you're traveling in Europe on business, don't leave without your copy of the IHT's Guide to Europe — Third Edition.

Written by long-time foreign correspondents Alan Tillier and Roger Beardwood, and published by the International Herald Tribune, these invaluable 575 pages provide current information on understanding local business customs, negotiating with government offices, selecting accommodations, dining, entertaining, tipping and more, in 32 European cities. Plus, city orientation maps.

Among the guide's unique features, you'll find a Background Briefing for each city, covering recent history and current business climate, a series of Spotlights throughout each chapter that focus on particular points of local business or travel interest, and a basic list of useful telephone numbers.

This guide is a superb tool for every business traveler in Europe.

Order today!

The Best Resource for Business Travel in Europe. Please send me _____ copies of IHT GUIDE TO BUSINESS TRAVEL: EUROPE at \$21 U.S. \$27 each, including postage in Europe. Outside Europe, postage per copy: North America, Africa, Middle East & rest of world \$7.

NAME _____
ADDRESS _____
CITY/STATE _____
COUNTRY _____
TELEPHONE _____

Payment is by credit card only. Please charge my credit card: ☐ Amex ☐ Amex ☐ Diners ☐ Eurocard ☐ Mastercard ☐ Visa

CARD NO. _____
EXP. DATE _____
COMPANY EMPLOYED NO. _____
From your order to: International Herald Tribune, Offices: 37 Lambton Road, London SW 20 0UW, England. For faster service, fax order to: (44-181) 948-8233. 19-5-95

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

LIVING IN THE U.S.?

Now printed in New York for same day delivery in key cities.

To subscribe, call 1-800-882-2884 (in New York, call 212-752-3890)

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The \$100,000 Lexus

The Clinton administration's desire to pry open Japan's closed automobile market is understandable. But Bill Clinton's decision to impose 100 percent tariffs on Lexus, Infiniti and other luxury imports is mistaken and unnecessary. It seems designed more to mend the president's relations with American unions than to resolve trade differences with Japan. American sanctions violate the trade accord that the United States signed with more than 100 trading partners last year. Flouting international law betrays America's historic role as a defender of open trade conducted under fair rules that are honored by countries large and small.

The United States complains that the structure of Japan's auto market and regulatory barriers obstructs imports and nullifies Japan's trade commitments. But this valid complaint should be taken to the new World Trade Organization, which was created with U.S. support to help untangle this kind of trade dispute.

The two countries have already resolved many of their disagreements. Japan agreed to open more dealerships to U.S. manufacturers and to dismantle regulatory burdens, including costly inspections of imported auto parts. But the Japanese government remains unwilling to pressure manufacturers like Toyota to buy more U.S. parts for their new models. The United States should not demand that any government, even the Japanese, manage private industry. The basis for the U.S. demand — that Toyota and other manufacturers turn to local suppliers without giving U.S. companies a fair shot — is weak. After all, Toyota has a perfect right to tie itself even more rigidly to its suppliers, even through merger, without fear of violating any trade principles. It is hard to imagine the U.S. government telling General Motors and other U.S. manufacturers that they cannot produce many of their own parts.

Japan has vowed to haul the United States before the WTO for imposing unilateral sanctions. Japan will almost surely win the case and authorization to retaliate. It could then impose sanctions against U.S. exports like computers, software or aircraft. At that point the trade war would threaten the jobs of Americans in ways that the initial sanctions on high-priced Japanese autos do not.

The new U.S. tariffs will not go into effect until next month. By then, Japan may accept the U.S. demands. But even if it does, the Clinton strategy would be shortsighted. If the United States ignores its fair trade obligations, other countries will surely follow. Imposing sanctions also risks rupturing relations with a country which shares important security interests with America.

Having started down the wrong road, President Clinton can still turn back by pocketing the agreements on dealerships and parts inspections and declaring victory. He could then refer remaining issues to the WTO. That way there would be neither a trade war nor bruised relations with an important ally.

— THE NEW YORK TIMES.

Don't Strand the Poor

There are two dangers in the budget debate that moves now to the House and Senate floors. The first is that the underlying effort to reduce the deficit to some manageable level over the next few years will fail. The second danger is that Congress will pursue the goal of a lower deficit, but do so mainly at the expense of the least well-off Americans, those most in need of help.

The debate these next few days will be heavily about Medicare. The Republicans propose large cuts in the program. The present cost trends are indeed unsustainable, as the Republicans have usefully begun at last to point out. And the program needs to be reformed. But you need not fear for its survival any more than for the survival of the other broad middle-class programs, from Social Security to school lunch, which the Democrats also made a show of protecting a couple of weeks ago. The constituencies will see to that — in the case of Medicare, the elderly and disabled seventh of the population who receive the care itself; the hospitals and doctors that receive the fees; the families of the recipients who would have to pay the fees if the government did not. So Medicare is not the part of the budget in greatest jeopardy, and that is because it is not just a program for supplicants. The entire society looks to it.

The programs to help poor people who are struggling to make ends meet are something else again. They lack anything like comparable support. There are five big ones. Food stamps provide an implicit national income floor and now reach a

— THE WASHINGTON POST.

Other Comment

Halting the Spread of a Killer

Despite assurances of international health officials that the Ebola outbreak remains remote from population outside of Zaire, the spread of this killer from the town of Kikwit to several nearby villages renews questions about the world's capacity to stop catastrophic epidemics. Indeed, with the possibility that human or animal hosts might carry deadly viruses across only borders but across local outbreaks pose a far-reaching question: How can global outbreaks be thwarted?

Stopping an invisible agent is a tall order, especially in a nation such as Zaire that is short of the resources, medical and otherwise, needed to deal efficiently with infections. In the United States, the Public Health Service Act gives authorities broad powers to institute quarantines. According to the federal Centers for Disease Control and Prevention, stations in major ports of entry may isolate and contain individuals who arrive with obvious signs of infection.

That is good, but it is not enough. Nations need better help in attacking viruses where they spring up. That takes funding, plus vigilance by both the international medical community and local authorities. Later this year the World Health Organization will convene a conference to discuss, among other things, tightening quarantine standards. There is clearly a role for the United States in the matter of international epidemics.

— Los Angeles Times.

Global Economic Governance

Economic recovery is now under way in most OECD countries. Inflation is at its lowest level for decades. Yet 34 million people remain registered as unemployed. If the multilateral trade and investment system is to survive, a genuine system of global economic governance must be developed. Working men and women and not just financial markets need confidence in the credibility of policies. Governments must regain through collective coordination of their policies the sovereignty they have individually lost through the deregulation of financial markets. The current instability has no supportable social costs.

— From a statement by the Trade Union Advisory Committee to the OECD.

Wishing Chirac Well

On Europe, Jacques Chirac may prove a disappointment to Britain; his meeting with Chancellor Kohl in Strasbourg on Thursday and his wish to make his country the motor of the European Union suggest that the main thrust of [French] foreign policy will not change. However, it would be churlish at this stage not to wish the new president well. A grueling campaign appears to have changed the "bulldozer" of earlier years into someone more mature. His accession could mark a new beginning for France.

— The Daily Telegraph (London).

Ex-Yugoslavia: Seek Compromise and Stop Faking

By Flora Lewis

PARIS — Nobody knows what to do about the unending war in ex-Yugoslavia, so once again the intervention powers are passing the buck and waiting for something to turn up.

At this point, that means looking to the new French government of President Jacques Chirac and Prime Minister Alain Juppé. France has contributed the most troops to the United Nations force and taken a high share of its casualties. As foreign minister until this week, Mr. Juppé has been the most vocal Western leader in insisting that the status quo is intolerable.

It has been tolerated all this time, however, because all the contemplated options look so bad. The United Nations has reached the point where it refuses its military commander's request for NATO air retaliation after even the most outrageous provocation for fear of further attacks by the belligerents.

The Sarajevo siege has been intensified again. UN "protected areas" have turned out to be areas where the UN troops are not even allowed to protect themselves. They are scarcely able to carry out the very limited mission of protecting the delivery of humanitarian supplies to civilians. "Peacekeeping" has been made a dysphemism, if that word may be invented as the opposite of euphemism.

— turning a good deed into a bad word.

As Mr. Juppé sees it, the choice is to give the "peacekeepers" a much stronger mandate to shoot back, a mandate that NATO has all along said it is ready to enforce from the air as requested, or to pull out. The United States supports an "aggressive defense of the UN resolutions," in the State Department spokesman's words, but it offers only words.

There is bluff all the way. The kind of shoot-back policy really likely to make a difference after so much limp acquiescence would require a big reinforcement in men and arms that nobody wants to provide, if the UN soldiers are not to be helpless hostages. It has been estimated that it would take 40,000 more, including 20,000 promised by the United States, just to evacuate the existing force with reasonable safety.

Nobody really wants to do that, either. Not only would it mean a tremendous humiliation for the United Nations and its major states, but the smoldering war would erupt into a devastating conflagration and probably spread.

The dilemma is a lot like stages that Robert McNamara now describes in the

American war in Vietnam, where whatever is done makes things worse. The temptation was to grasp at improbable straw: now a new leader, now a bombing halt for unlikely negotiations. In Yugoslavia, the equivalent is trying to lure Serbia's Slobodan Milosevic into cutting off rebel Serbs in Bosnia and Croatia by promising to lift some sanctions.

There isn't much chance. But Milan Martić, president of the rebel "Serbian Republic" in Croatia, warns that even the idea of some moderates in his own area of coming to terms with Zagreb will lead to heavier fighting and missile attacks on the Croatian capital.

The "contact group" (France, Britain, Germany, Russia, United States) stumbles on with failed plans for negotiations, for lack of decisive capacity. This is another will-o'-the-wisp "light at the end of the tunnel" to avoid admitting that international efforts to "do something" about Yugoslavia have broken down and there are no good prospects.

It is even becoming the diplomatic fashion to say that these efforts haven't failed, because the four-year-old war isn't already much bigger.

I have argued for some time that the war will not be stopped until the focus is shifted to search for a political solution

resembling the former Yugoslav republic into some kind of confederation, and, furthermore, devising a plan for general Balkan security and economic development. But I recognize that this effort is getting harder, not easier, to launch as the atrocities pile up and the contact group powers quarrel among themselves.

Still, it is impossible just to shut up and forget the hapless ex-Yugoslavs, as has been done with Liberia, Somalia, Sri Lanka, Afghanistan and others who have not managed to weigh on Western fears and conscience. Perhaps the first need is to take one of the lessons from Vietnam: Stop lying, dissembling, encouraging false hopes of peace.

Mr. Juppé is right that the status quo isn't tolerable. Since nobody else will, France should take the lead with a new proposal. But a "stronger" United Nations mandate isn't enough. A mandate to enforce what? If it is only to contain the war until the belligerents exhaust themselves, let that be said, get out of the way and hold the ring.

There are only two ways to end wars, and they don't involve justice. One is undeniable defeat of one side; the other is negotiated compromise. We aren't moving either way, so the war goes on.

© Flora Lewis.

Wake Up, OECD: Concerted Development Assistance Isn't Optional

By James Gustave Speth

The writer is administrator of the United Nations Development Program.

NEW YORK — When the OECD Council of Ministers meets in Paris next week, the ministers should look beyond their own problems and consider how the rich can revitalize their commitment to the poor, before crises multiply around the world.

The poorer countries do not need more "foreign aid" of the Cold War variety, but they do need development assistance, and more of it. OECD development assistance has now declined for two years in a row.

Two widely believed myths need to be dispelled if this trend is to be reversed.

The first is that the developing world is doing rather well, on the whole. The second is that to the extent that some countries are not in good shape, and some are obviously not, it is basically their own fault. These countries should get their policies straight — including opening up to an expanding world

market — and enjoy the ride, the argument goes.

As to the first myth, it is true that there have been remarkable successes in human development. Average life expectancy in the developing world has increased by more than a third in the last 30 years. Primary school enrollment has increased to over 80 percent.

And the economic performance of some countries has been impressive. The eight high-performing East Asian economies registered average annual per capita income growth of about 5.5 percent from 1965 to 1990.

But the world is still a big place — diverse, complicated and unfair. Desperation is still the lot of the majority of people.

Some 1.5 billion people live in extreme poverty. The conditions

of life for twice that number are deplorable. Tomorrow, as on any given day, about 67,000 babies will be born into families earning less than \$7 a week. That is almost 25 million people born into a prison of poverty each year.

Worst off are the 47 countries we call least developed. With 10 percent of the world's people, they have 0.1 percent of the world's income. For more than two decades their per capita income, on average, has declined, not grown. Today it stands at about \$350. Their share of world trade declined from 0.6 percent in 1980 to 0.2 percent in 1992.

Meanwhile the world economy is expanding rapidly, and the share of the rich OECD countries in it has increased from 68 percent in 1960 to 72 percent in 1990.

Makings of Doom at 8 Cents a Pound

By Russell Seitz

CAMBRIDGE, Massachusetts — It takes a great deal of fertilizer to feed the world. Ammonium nitrate, made by the millions of tons out of air and water, and readily available in farm supply stores, is equally serviceable as an explosive and a plant food.

It was sold without question in the United States until the federal building was bombed in Oklahoma City. Now victims of that bombing have sued the manufacturer of the ammonium nitrate, asking why, since it can be rendered harmless, they were put at risk.

Despite the carnage, this cornucopia of destructive potential flows on. Ten dollars buys all the ammonium nitrate you can carry. It can cost more to rent a truck than to build a bomb. Last year more than 4 billion pounds was legally sold in the United States — enough for literally a million explosions as powerful as the one that shattered the federal building.

Global control of explosives made from just air, water and energy is a problem that security analysts are tempted to toss on the too-hard pile.

But the American supply of

ammonium nitrate could be defused by following Britain and Germany, where only blended fertilizers are sold. The producers put in inert potassium and phosphorus compounds to make the ammonium nitrate content unexploitable.

Europe learned the hard way. In 1921 a multimillion-pound detonation obliterated the Rhineland town of Oppau, killing 560. From Halifax, Nova Scotia, where some 3,400 died, to Texas City (about 1,200 dead) memories still linger of the shiploads that exploded. But despite heroic efforts to halt proliferation of weapons of mass destruction, the shipping of ammonium nitrate continues.

It should worry regulators of nuclear materials and nerve gas that at 8 cents a pound an atom bomb's worth of explosive yield is apallingly cheap — Hiroshima and Nagasaki for half the price of a small corporate jet.

In the absence of constant vigilance, any terrorist organization with enough money could load an aging supertanker with a quarter-megaton of

ammonium nitrate and fuel oil.

Cold War reflexes die hard. A real danger resides in the thousands of barges and rail loads of ammonium nitrate that ply America's waterways and rails unguarded every year. There is little to prevent them from being hijacked and to defend the cities they transit. Last year enough detonating cord was stolen to set off thousands of tons of ammonium nitrate and fuel oil.

Farming methods change slowly, but other nitrogen fertilizers already compete with ammonium nitrate and could displace it entirely. The Department of Agriculture, which has agents at the county level, could assist by deploying taggants — trace elements or layered particles that can be put in fertilizer and can be read like bar codes to connect terrorists to the source of the fertilizer. Although the fertilizer industry may object to the expense, few in Oklahoma City are likely to object.

The writer, an associate of Harvard University's Olin Institute for Strategic Studies, contributed this comment to The New York Times.

Address Japan at the WTO, Together

By Roy Denman

BRUSSELS — The United States has finally decided to act on its trade problems with Japan. It is right to act, wrong in the action it has chosen.

If the Japanese choose to work extremely hard for material rewards much smaller than those of their counterparts in the West, they can hardly be blamed. It is not for those whose economic problems are caused by living beyond their means to attack those who choose to live below them.

Nor can Japan reasonably be reproached for running a trade surplus with the United States. In a multilateral trading world of free-enterprise economies any country will run a pattern of surpluses and deficits. To impose some iron rule that neither should exceed a certain limit is mercantilism gone mad.

The real problem with Japan — and where Washington is entirely right — is that the Japanese, by a range of devices such as cartelization, testing standards and private arrangements between companies, restrict imports.

Japan has derived great benefits from the massive reduction of world trade barriers in the last half-century. In so far as these have reflected hard work and good management, Japan has fully deserved them. But it has not paid its dues to the world trading club in terms of opening up its market to the same extent as its trading partners have done.

What can be done? What the new World Trade Organization

forbids is unilateral action by any member which feels aggrieved. Understandably so, because no one would condone a citizen saying to another, "Unless within seven days you cut down that tree which is overshadowing my backyard, I'm going to storm in here with a shotgun." For the citizen can go to court.

Likewise the WTO, like GATT before it, prescribes a remedy. If any contracting party considers that the benefits it has secured in trade negotiations have been "nullified or impaired" by another, it can go to the other contracting parties and ask for autonomous concessions — in plain English, to put up its tariffs against what it considers the offending party.

It is ironic that after having secured passage through Congress, against fierce opposition, of the legislation applying the results of the Uruguay Round and establishing the WTO, one of the first acts of the Clinton administration should be to flout it. But that is not the only irony.

The problem in trade with Japan is not simply an American one. Europe has the same problem. But the European Union, in the words of a spokesman, is "remaining impartial."

In 1982, the European Commission suggested to the Americans that they join Europe in going to GATT to get Japan to open

its market. The United States refused. It was not going to gang up against Japan.

In vain we Europeans pointed out that we were not ganging up against anyone, but trying to ensure that all members of the world trading club paid their dues. Now, 13 years later when the United States is taking action, Europe is twiddling its thumbs.

If the United States acts on its own, illegally, it will not only damage the authority of the newly created WTO, it will alarm the booming economies of Southeast Asia on which America's prosperity will increasingly depend — and which are also running in increasing trade surpluses with it.

Nor is it certain that the United States, on its own, will succeed.

But if the United States and Europe were jointly to take the legal route and put the matter before the WTO, asking for authority to act if Japan did not take far-reaching steps to open its market, then they would have widespread support and a fair chance of ending a standing irritant to the world trading system.

And the U.S. administration would be able to demonstrate to Congress that the international trading rules are not an affront to U.S. sovereignty but can be made to work not just to the advantage of the United States but in the interests of opening up world trade.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Cuban Revolution

NEW YORK — General José Martí and Gomez have issued a statement to the public giving the Cuban revolutionists' reasons for desiring separation from Spain; referring to Cuba's superior financial and educational conditions; reviewing the former revolution, its causes and failures, and pointing out they believe they will be successful now.

1920: Mr. Booze at Bar

WASHINGTON — Everyone in the United States Supreme Court yesterday [May 18], from black-robed Justices to black-faced door-tenders, had a hearty laugh when, immediately after the Court's announcement that there would be no decision on the Prohibition Amendment until June 7, the name of John Taylor Booze was submitted as a

petitioner to practice in the Highest Tribunal. Mr. Booze, who, of course, comes from Chicago, undertook to be an advocate for the "wets" and announced that in the Court's deferred decision he saw a hopeful sign that the nation would soon be able to wash the dust from its throat.

1945: Algerian Rights

PARIS — The French Provisional Government reiterated yesterday [May 18] its intention to put into operation an ordinance granting all the civic rights of French citizens to some 80,000 Arabs in the Algerian Department of Algiers, Oran and Constantine. "The government," the Ministry of the Interior said in a statement last night, "is resolved to pursue a policy of progressive assimilation of French Muslims to French citizens."



International Herald Tribune

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

Chairman

RICHARD MCLEAN, Publisher & Chief Executive

JOHN VINOCUR, Executive Editor & Vice President

WALTER WELLS, News Editor • SAMUEL A. KATHERINE KNORR and

CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor

ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor

RENÉ BONDY, Deputy Publisher • JAMES MCLEOD, Advertising Director

JUANITA L. CASPARI, International Development Director • DIDIER BRUN, Circulation Director

Director of the Public Affairs: Richard D. Sarason

Director of the Public Affairs: Katherine P. Larrabee

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.

Tel. (1) 41-4392.10. Fax: (1) 41-4392.12. Internet: IHT@eurcom.net

Editor: Michael Richardson, 5 Canterbury Rd., Singapore 0111. Tel. (65) 472-7700. Fax: (65) 274-2244

Mgr. Tel. (65) 472-7700. Fax: (65) 274-2244. Home Tel. (65) 272-1188. Fax: (65) 272-1180

Gen. Mgr. Tel. (65) 472-7700. Fax: (65) 274-2244. Home Tel. (65) 272-1188. Fax: (65) 272-1180

Printed in the U.S.A. by The New York Times Co., 630 Third Ave., New York, N.Y. 10017. Tel. (212) 755-3000. Fax: (212) 755-3000

U.S. Advertising Office, 630 Third Ave., New York, N.Y. 10017. Tel. (212) 755-3000. Fax: (212) 755-3000

S.A. au capital de 1,200,000 F. RCS Nanterre B 72021126. Commission Paritaire No. 61337

© 1995 International Herald Tribune. All rights reserved. ISSN 0248-0182

OPINION/LETTERS

A Business Success Story That Ended Well

By George F. Will

WASHINGTON — The remarkable Chambers brothers rose from grinding poverty in the Arkansas delta to running a retail trade earning \$1 million a week in Detroit. This was in the mid-1980s, when the automobile industry was shrinking and the city was losing a quarter of a million jobs and a fifth of its population. The four brothers' enterprise had revenues larger than any other privately held business in the city.

The author writes that these four ghetto capitalists made a rational career choice when they became pioneers of the age of crack cocaine.

This story of ghetto capitalism is told in a virtuoso exercise in reporting. William M. Adler's new book, "Land of Opportunity," Mr. Adler details how the brothers, without benefit of education beyond their high school in the nation's sixth poorest county, identified a market niche, mastered wholesale buying and mass production and risk analysis, monitored cash flows, devised employee benefit plans, performance bonuses and customer incentive plans. Mr. Adler admires the way the brothers' leader, Billy Joe, "refused to settle for passivity and hopelessness."

ness" in Lee County, Arkansas. Billy Joe is now earning \$5 a month in the kitchen of a federal prison where he will be for at least another 20 years. Yet Mr. Adler, a terrific reporter and a terrible ethicist, says Billy Joe and his three brothers, who also are in prison, made "a rational career choice" when they became pioneers of the age of crack cocaine.

Mr. Adler is not averse to moral judgments. He vigorously disapproves of "the Reagan-Bush era's domestic spending policies," "the decade's cult of money" and so on. But Mr. Adler's honest reporting violates his ideological judgments.

Billy was 16 in 1978 when he bought a one-way bus ticket to Detroit where his brother Willie was a postal worker. Soon Billy was working his way up in the drug business, and with some help from Willie.

"By 1982," writes Mr. Adler, "seven years as a letter carrier and his prudent way with a dollar had left Willie with a tidy nest egg. And an eye for cheap real estate he saw as he delivered mail. Willie bought some inexpensive houses. Soon they were distribution centers for the family drug business. By 1984 one was a crack house 'pumping' \$35,000 a day."

It is a bit much to blame Republicans for Willie's choice of a criminal career. And brother Larry had made that choice in 1969, long before "the decade of greed." When the youngest brother, Otis, came to Detroit to join the money-making,

crime was a family tradition. Crack came to the United States from the Caribbean, where a dying crack addict had said to a Bahamian doctor, "When the world tastes this, you're going to have a lot of trouble." It got to Detroit late in 1983. In that year about 100 people were admitted to Detroit clinics for treatment of cocaine use. In 1987, the year the Chambers' business peaked, about 4,500 were admitted. Between 1983 and 1987 emergency room admissions linked to cocaine rose from 450 to 3,811. In 1987, when Detroit's murder rate peaked, half the murder victims age 40 and under had cocaine in their systems.

By 1986, Mr. Adler writes, Billy Joe and Larry were folk heroes, "the Lee Jaccos of the crack business." Children played games of "BJ and Larry." Larry ran a drug dispensing apartment house where the doorman, who carried an Uzi, was admonished by Larry to project warmth to customers:

"When a crackhead comes to you and his woman is on his back, his babies don't have no Pampers, he hasn't eaten in two days, and he's about to spend his last \$5 on crack, you have to

make him feel good about spending his money."

Larry was stern with disobedient employees (he had hot grease poured on one) and his "wrecking crews" would "hammer" people who displeased him. Mr. Adler tells about Dennis, one of Larry's wreckers: Dennis and colleagues grabbed the victim's wrists, "held them to the concrete floor, and pummeled his hands with hammers. Then they hammered his feet, his knees. The kid lost consciousness. They hammered his ribs. They left him in the garage. Dennis says he heard later the injuries left the young man paraplegic, never to walk again. Dennis says he felt bad about the beating, but that 'I did it because it was part of my job and I wanted to move up in the organization and I wanted a [Ford Mustang] 5.0.'"

To say, as Mr. Adler comes close to doing in his otherwise illuminating book, that the Chambers and their friends were only obeying social imperatives or cultural promptings is today's version of the Nuremberg defense — "I was only obeying orders" — that was offered in 1946 by people who for a while thought they had made rational career choices.

Washington Post Writers Group.

Out of Black Shoelaces and Doing Fine

By Hans Koning

NEW HAVEN, Connecticut — When a few years ago I moved from England back to the United States, my daughter Christina moved by necessity (she was fourteen) from London's Grey Coat Hospital to HSC in New Haven (on the Atlantic, seventy miles north of New York). Grey Coat Hospital is not a hospital but a school, and HSC stands for High School in the Community.

Christina's move was more drastic than mine. I was just a writer moving

MEANWHILE

from one quiet house in Westminster to another quiet house in New Haven. Christina moved from an English state school to an American state school, a jump of half a century.

Grey Coat is a junior high school plus high school (lower school and upper school in British parlance), founded in the 17th century by London merchants for their daughters. The upper school is housed in a lovely low-slung building, looking like a Stately Home, not far from Parliament; the portraits of the founders with testimonies in Latin to their civility, adorned the large entrance hall. The school has a tie with the Church of England which manifests itself by the fact that solemn school functions take place in no less exalted a setting than Westminster Abbey. It is, none the less, an ordinary, free, state school.

Grey Coat tries to hold on to the rules

of discipline as lastly formulated by the school governors in 1946. "A huge strain is placed on [the schools in Britain]," its deputy headmistress once wrote me. "By a basic dishonesty... teachers are expected to applaud and uphold rules and attitudes... which society quite obviously is abandoning."

Its students wear the school uniform, but this is less a sign of undemocratic snobbery as I, an American, originally suspected, than an effort to eliminate jealousies and competition in dress between the daughters of the well-to-do and of the less well-to-do. The uniform can be bought only at Peter Jones, a department store on the King's Road, and it consists of a grey jacket (always to be worn when outside, never to be worn when inside), grey skirt, patterned blouse, and black or brown shoes.

My first experience as a parent with the school was when Christina could not enter her class because her shoes had multi-colored shoelaces with the legend "I love Australia." The deputy headmistress gave her a pound note (as a loan, she stressed) and sent her to Peter Jones to buy black shoelaces.

From this Westminster Abbey/black shoelaces environment, then, Christina was dropped into New Haven's High School in the Community, which was founded by a group of independent-

minded teachers in the 1960s, but has long since been taken in by the school system. HSC had as its main principle that everyone gets (another) chance there, including those kids who have already a police record of drug dealing or other brushes with the law. (In this it is not very different anymore from our other schools here, and scholastically its reputation is tops.)

At HSC the kids dress in whatever way they want, makeup and jewelry (banned at Grey Coat) abound, and one of Christina's friends in her first year was a barely fifteen-year-old mother. Teachers are called by their first name. If you have an urgent reason for leaving a classroom, you leave.

My story has no climactic bottom line, and that is precisely its moral. Christina took the fifty-year jump in her stride. HSC's sex education class created no commotion and it appeared that she had learned as much about the facts of life in the stately halls of Grey Coat as her peers in the more dangerous streets of New Haven. She didn't get carried away by the freedom to use makeup, and the teen mother did not lead her along any primrose paths.

As in London, there were teachers who inspired her and her classmates with an urge to read and discover, and others whose dead hand killed the joy of learning. What I learned from it was, don't underestimate your children.

International Herald Tribune.

LETTERS TO THE EDITOR

Violent Centuries All

Regarding "The Roots of Evil Go Deep in This Violent Century" (May 3) by Richard Harwood:

I take issue with the assessment of the 20th century as being the most violent in history. Humans have always been violent and prone to diverse forms of mass slaughter. Like it or not, war and violence are part of our cultural heritage, just like music and literature, which, in their turn, often reflect the violent side of human nature. A random reading of the Bible or of Homer will more often than not present a picture of unbridled violence and destruction.

Civilian populations were not spared. Of course, the further back we go in history the shorter the range of weaponry, and the civilian populations were not involved in battles which took place on the field. Cities, however, were often the victims of long sieges, and it and when they were taken the only civilians spared were girls of childbearing age, perhaps some individuals who could be used as slaves and, in some rare cases, artists, performers and intellectuals.

The difference lies in the means that are now available and also in the much greater concentration of populations. If those wonderful heroes of the Iliad could have used modern weaponry they certainly would have killed more Trojans and Greeks than the many thousands reported in the epic, and the same can be said for all the battles undertaken by humans and, indeed, all acts of terrorism against the state, the establishment or the monarch.

CARLO UNGARO,
Ambassador of Italy,
Tashkent, Uzbekistan.

Hardball With Japan

Regarding "Japan Has No Choice But to Open Up Its Auto Market" by Thomas G. Denomine (Opinion, May 12):

The writer has clearly and bluntly summarized the U.S. trade situation with Japan. The trade imbalance has existed for years, and I am surprised and distressed that the United States has not taken effective measures earlier. The only language Japan understands (and respects) is "hardball." Unless the United States is committed to implementing punitive trade sanctions, the trade imbalance will continue and grow.

PETER AMREIN,
Munich.

Support for the Mark

Regarding the report "Waigel Supports Franc Fort" (May 17):

The German finance minister's enunciations upon the franc fort seem to be a thinly disguised attempt to discourage the conservatives' considerations of lower interest rates in France and at the same time avoid the German psychological trauma of reducing German interest rates to preserve franc-mark stability. Clearly, the inflation-parity inherited from the basket-broke mark era of the 1920s still holds sway in Germany.

WARREN L. LARRABEE,
Montpellier, France.

Culture and Commerce

French audiovisual policy initiatives calling for stiffer quotas and other impositions against imported U.S. television fare are

both unrealistic and hypocritically self-serving.

The French initiative not only violates the very essence of GATT accords but also overlooks the fact that the government itself, through its control over French television, was responsible for the purchasing and programming of U.S. TV junk fare in the first place.

For many years, the French government has been extorting levies from cinema patrons with the professed aim of supporting the French cinema industry. It is anybody's guess how much has been collected and squandered with shamefully little to show for it.

The issue is purely commercial and not cultural. A systematic and sustained development of EU-wide and market-oriented audiovisual co-productions is the only solution.

JOSEPH L. SPARTZ,
Jakarta.

The Right to Bear Arms

Herbert Mitgang's article "Private Militias Aren't Constitutional" (Opinion, May 6) is a political diatribe aimed more at private gun ownership than at militias. The Second Amendment and most state constitutions do indeed guarantee to the people the right to keep and bear arms. The "militia" is composed of the citizenry, not the National Guard. Nor is it the Army Reserve, which is an integral part of the armed forces.

Federal statutory law establishes the militia as a group of United States citizens within prescribed age limits meeting certain other criteria. The National Guard is specifically excluded. The federal constitution neither authorizes nor prohibits private militias. While most of us may not agree with their philosophies, they are free to assemble and fulfill their perceived purpose provided they do not break the law.

ROBERT L. HUMPHREY,
Kerrville, Texas.

The Pope's Concerns

Regarding the report "Spreading the Papal Word" (May 12):

Martin Marty of the University of Chicago is quoted as saying that he "hasn't the faintest idea of what most of these pages mean." Professor Marty, a theologian, is referring to Pope John Paul II's book "Crossing the Threshold of Hope." My 18-year-old students appear to have no such problem. They disagree with some of the Pope's views, but on the whole they appreciate this robust book and express understanding and admiration for the breadth of the Pope's concerns for life and youth.

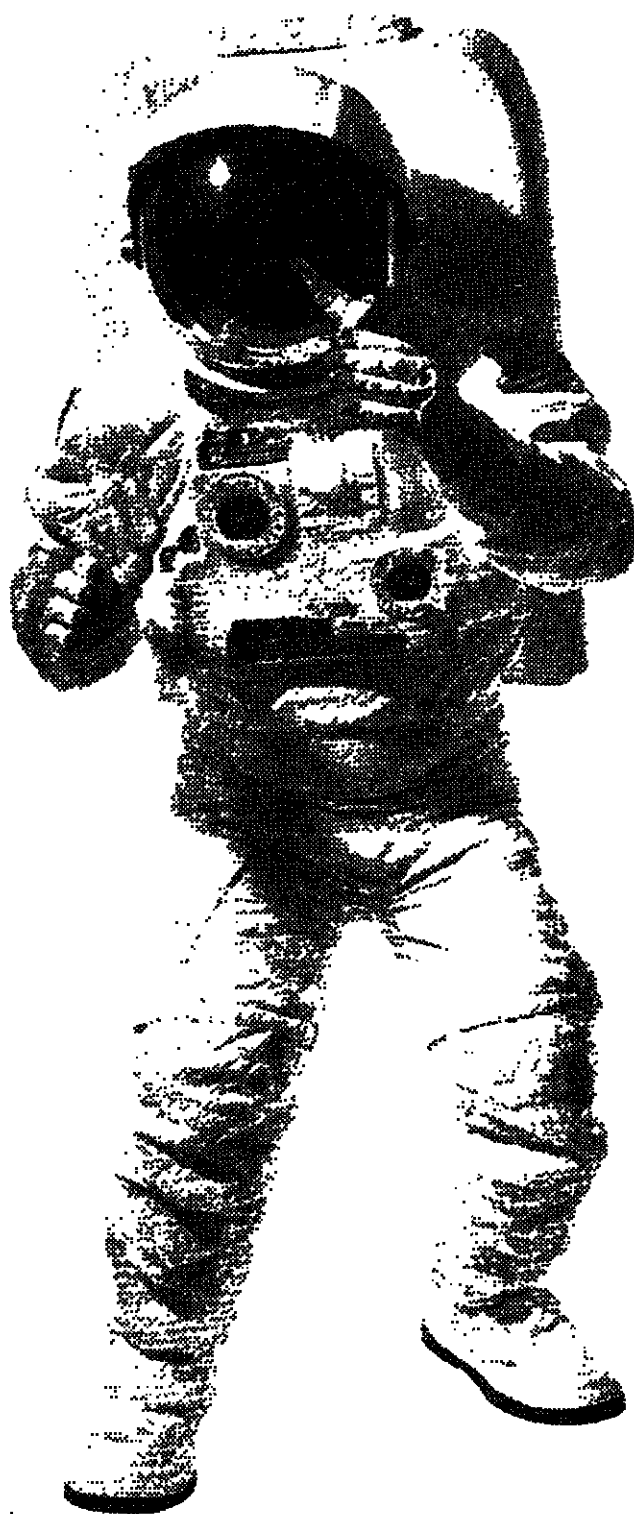
TIMOTHY MATTHEW,
Lisbon.

A Matter of Timing

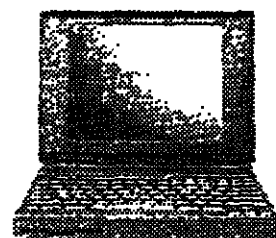
Regarding "Churchill, Roosevelt and the Place of the Iron Curtain" (Opinion, May 11) by Gerhard Weinberg:

V-E Day for most of us stirs emotions of thanks and humbleness to all who directed, fought and died in all the Allied armies — from private to prime minister to president. At this time of year, if any criticism has to be made, then it should be directed where it belongs, toward the Nazis.

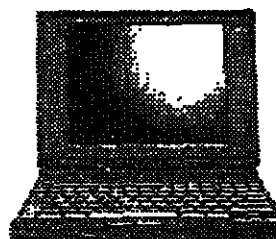
KEITH BIRMINGHAM,
Jidda.



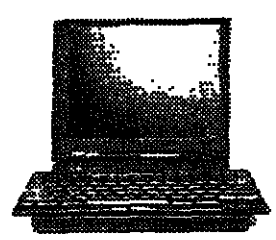
Now there's an IBM ThinkPad for practically every traveler.



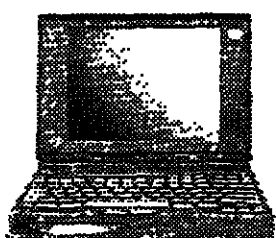
ThinkPad 340 CSE lightweight from 2.4 kg. 486 SLi2 50 MHz or 60 MHz processor, 9.5" or 10.4" dual scan colour screen, 200 or 300 MB hard drives.



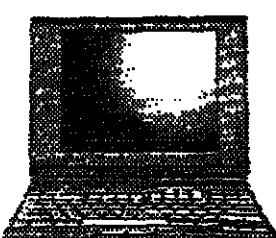
ThinkPad 370C. With a 486DX4 75 MHz processor, 10.4" Black Matrix TFT colour screen.



ThinkPad 701C. 2.2 kg. with an expanding full-size keyboard. 10.4" active-matrix TFT or dual scan colour screens and 486 processors.



ThinkPad 755 CE/CD/CDV. With a built-in CD-ROM drive (755 CD model only), a 10.4" black-matrix TFT colour screen and a 486DX4 100 MHz processor. Also available the 755 CX, specially designed for overhead projection.



ThinkPad 755CX. With a Pentium® 75 MHz processor, a 10.4" SVGA high-resolution black-matrix screen and a lithium ion battery that goes further between recharges.

For more information call your IBM Dealer.

There is a difference™

IBM

INTERNATIONAL FUNDS
listed and transmitted by MICROPAL PARIS (Tel. 33-1 40 28 09 09)

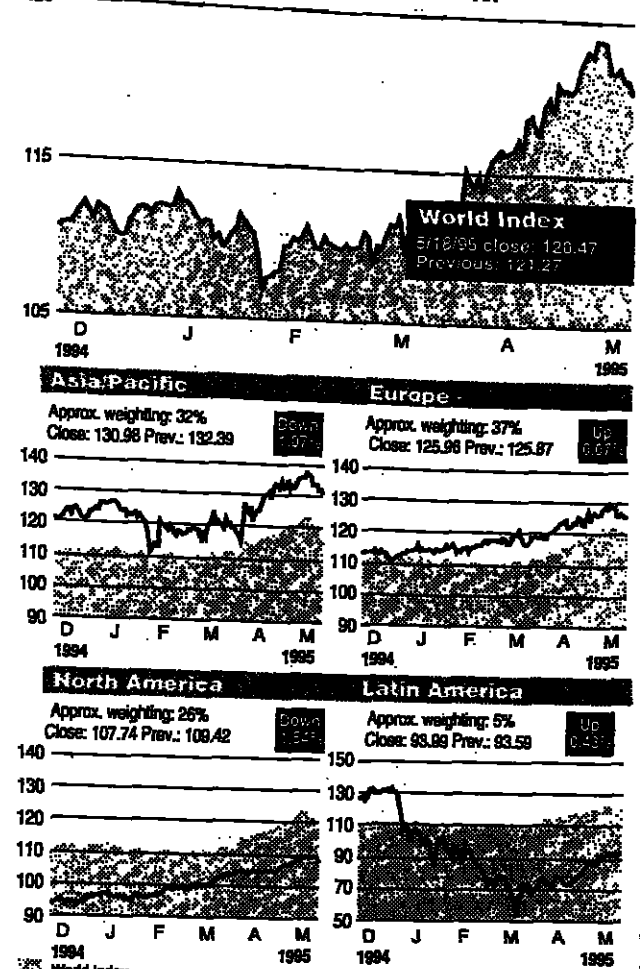
Abbreviations: (d) - daily; (w) - weekly; (b) - bi-monthly; (1) - fortnightly (every two weeks); (r) - regularly; (t) - twice weekly; (m) - monthly

DOI: 10.1002/for

THE

THE TRIB INDEX: 120.47

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar value of stocks in Tokyo, New York, London, and Amsterdam, Australia, Hong Kong, Singapore, Sydney, Taipei, Seoul, and Osaka. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the top 50 issues are tracked.

Industrial Sectors	1994	1995	% change
Energy	125.71	125.97	-0.21
Utilities	132.76	132.04	+0.55
Finance	120.24	121.34	-0.91
Services	114.05	115.08	-0.89
Capital Goods	123.54	124.77	-0.99
Raw Materials	140.63	141.08	-0.32
Consumer Goods	112.04	112.78	-0.66
Miscellaneous	129.48	129.78	-0.23

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

Chrysler Raises Its Dividend By 25%

By Lawrence Malkin
International Herald Tribune

NEW YORK — Chrysler Corp. on Thursday raised its quarterly dividend by 25 percent, throwing up a roadblock against Kirk Kerkorian's hostile takeover bid, which many Wall Street analysts said had run out of gas anyway.

Robert J. Eaton, Chrysler's chairman, also said Chrysler had bought back \$490 million of its own stock since January and planned to complete the repurchase of a total of \$1 billion in stock by the end of the year.

The quarterly dividend was raised to 50 cents from 40 cents.

Mr. Kerkorian, a billionaire Las Vegas investor, has a 10 percent stake in Chrysler through Tracinda Corp., his investment company. As Chrysler became the most profitable of Detroit's automakers, he demanded a larger payout to stockholders, but Mr. Eaton argued that the company needed to keep a cash cushion of \$7.5 billion.

Tracinda said the dividend increase "does not even begin to address the fundamental issue of substantially increasing value for all Chrysler shareholders."

Mr. Kerkorian, 77, responded on April 12 with a \$22.8 billion bid to buy the company, proposing to finance it in part by using Chrysler's own cash. But he has been unable to raise money for the bid.

Chrysler shares fell 37.5 cents in late trading, to \$43.375.

John Casca, of Wertheim Schroeder & Co. said the dividend increase reflected disappointment that the payout was not larger.

But Seth Gluckman, president of an investment company that controls 5.5 million Chrysler shares, called the dividend increase "magnificent."

Was this the end of Mr. Kerkorian's bid? "No, he never started," Mr. Gluckman said.

Computer Selling And Trade News Batter the Dow

Compiled by Our Staff From Dispatches

NEW YORK — Many U.S. stocks plunged Thursday after a computer-guided sell order buffeted the market late in the session causing the Dow Jones industrial average to post its biggest one-day loss in almost six months.

The trading, tied partly to the Friday expiration of May options on stock indexes and individual stocks, knocked 34 points off the Dow industrials. The average plummeted 81.96 points, to 4,340.64, its largest daily decline since a 91.52-point plunge on Nov. 22.

Before the computer order sent the market plunging, it had already been battered about by news that the U.S. trade deficit with two key trading partners, Japan and Mexico, had widened in March, although the overall trade gap narrowed slightly.

That news put jitters into the bond market, and by the end of the day, the yield on the 30-year Treasury bond had risen to 6.88 percent from 6.86 percent.

The Commerce Department said Thursday that America's overall deficit declined to \$9.12 billion, a small improvement of 0.4 percent from the February deficit of \$9.15 billion, and in line with expectations.

However, America's deficit with Japan shot up 30 percent, to \$6.14 billion, close to the all-time high of \$6.7 billion set last October. Japanese imports to the United States rose by 2.1 percent with one-fourth of the increase coming from autos and auto parts.

America's trade deficit with Mexico surged 36 percent, to a record \$1.71 billion, in March as economic turmoil continued to turn what had been trade surpluses for the United States into growing deficits.

The overall improvement in America's trade in goods and services reflected the fact that U.S. exports climbed to a record \$65.34 billion as U.S. sales of computer chips, civilian aircraft and telecommunications equipment all showed substantial gains.

Imports of goods and services also set a record in March, rising at a slower pace of 4.3 percent to \$74.46 billion. The U.S. trade deficit is the difference between imports and exports.

In the first three months of this year, America's trade deficit was well on its way to a record, running at an annual rate of \$120.86 billion, far above last year's deficit.

See TRADE, Page 16

Sony Sees Happy Ending To Its Hollywood Woes

By Andrew Pollack
New York Times Service

TOKYO — In an indication that it might be digging itself out from its fiasco in Hollywood, Sony Corp. said Thursday its movie division returned to profit in the most recent quarter.

Sony Pictures Entertainment Inc., which had been losing money for several quarters because of box-office flops and cost overruns, made hit movies in the quarter ended March 31, including "Little Women" and "Legends of the Fall."

The movie division's results also were helped by cost-cutting and by a nearly \$3 billion write-off in the movie operations that was announced last November. The write-off sharply reduced certain amortization costs that were dragging down the division's results.

Sony bought Columbia Pictures in 1989, hoping that programming would boost its profit margins and help it hardware businesses. But in the last two years, Sony Pictures has been plagued by lax cost controls, box-office flops and management turmoil.

The announcement of the movie profit, the size of which was not specified, put a slightly positive ending on a dismal financial year for the electronics giant.

For the financial year ended March 31, Sony reported a group net loss of 293.4 billion yen (\$3.4 billion). The huge loss stemmed from the write-off in the second quarter, when Sony was forced to admit that its movie business was worth far less than it had paid to buy it in 1989.

Without the special charges, a Sony executive said that pretax income would have been 94.8 billion yen, slightly less than the 102.2 billion yen recorded a year earlier. Revenue for the year rose 7 percent, to 3.98 trillion yen.

Sony, which relies heavily on export sales, suffered from a 9 percent rise in the value of the yen against the dollar during the financial year. Had the currency-exchange rates remained unchanged, it said, sales would have risen an additional 185 billion yen.

For the fourth quarter, Sony posted a consolidated net loss of 9.05 billion yen, compared with a loss of 11.47 billion yen a year earlier. Sony said the loss resulted from exceptional charges. Revenue rose 12 percent, to 1.00 trillion yen.

The Hollywood write-off obscured fairly healthy gains that Sony made in its core electronics business last year, despite the strong yen.

Sony's electronics operations recorded a sales increase of 9 percent, to 3.2 trillion yen. Operating profit in electronics rose 36 percent, to 123.6 billion yen.

Cost Cuts Speed VW to Profit

Compiled by Our Staff From Dispatches

WOLFSBURG, Germany — Volkswagen AG said Thursday it continued its turnaround, announcing a first-quarter profit that was helped by cost-cutting measures and an improving domestic market.

Volkswagen, which produces VW, Audi, Skoda and SEAT brand-name cars, said its cost-saving efforts last year brought

a 13 million Deutsche mark (\$9 million) first-quarter profit in 1995, up from a 1994 first-quarter loss of 342 million DM.

First-quarter sales rose to 21.2 billion DM (dfls 14.7 billion), up 5 percent from 20.1 billion DM the previous year.

Despite the first-quarter rise, the company projected a 1995 profit only slightly higher than last year's.

Improved production and the introduction of new models should bring a modest rise in profit, the company said.

But VW said fluctuations in the international currency market could be troublesome for the export-oriented company. "In the medium term, the further development of our business depends on the developments on the international foreign exchange markets," VW said.

The company singled out the peso crisis in Mexico, which contributed to a 34 percent drop in first-quarter sales in North America, it said.

Worldwide sales for the quarter rose 6.6 percent, to 830,836 vehicles. Sales within Germany rose 13.9 percent, to 245,188 vehicles from 215,242.

The company said it expected deliveries and output to remain flat in 1995.

Volkswagen called its total 1994 profit of 150 million DM a "turnaround" after losing 1.94 billion DM in 1993.

"For the whole year, we expect a slightly better result, considering the introduction of new models in the production palette, as well as success of further advances in productivity," the company said.

Although analysts were generally satisfied by the results, the cautious tone and repeated warning of potential currency losses depressed the stock. VW stock sank 10.50 DM, to close at 400.50 DM.

Joachim Bernsdorff, auto analyst at Bank Julius Baer, said Volkswagen may have dipped into reserves to pad the profit last year, but he thought the company was solidly in the profit zone now.

(Bloomberg, AP)

Disney Wins China Damages

Compiled by Our Staff From Dispatches

BEIJING — A Chinese court has awarded the Walt Disney Co. \$227,094 yuan (\$27,493) in a landmark case involving three Chinese publishers and a bookstore in a copyright violation dispute.

The award followed last August's ruling in the case, the first victory by a U.S. company since the United States and China signed an agreement in 1992 to strengthen Chinese protection of U.S. copyrights, patents and trademarks.

The Beijing Intermediate Court ordered the Beijing Publishing House to pay Disney damages totaling the official Xinhua News Agency reported Thursday.

Also named in the case were the Beijing Children's Publishing House, the Third Persons' World Publishing Co. Ltd., and the Beijing agency of the Xinhua Bookstore.

The report did not say whether they also were ordered to pay damages.

The court had found that the four defendants started four years ago publishing a series of

children's books, including nine stories using cartoon drawings of characters similar to Disney's Mickey Mouse, Snow White and Cinderella.

The court also ordered the defendants to stop publishing and selling the books and to make a public apology to Disney through the media, the report said.

Such violations of copyrights, trademarks and patents have long been a sore point in U.S.-China trade relations. U.S. businesses have said they lose \$1 billion annually to Chinese piracy, and that close to 100 percent of videotapes and computer programs sold in China are pirated.

In 1992, China agreed to U.S. demands to strengthen its laws and regulations on protection of intellectual property rights.

(AP, AFP)

Thinking Ahead / Commentary

Why Equality Can't Be the No. 1 Goal

By Reginald Dale
International Herald Tribune

WASHINGTON — Equality sounds like a principle everyone can support. It is enshrined alongside liberty and fraternity on the front of every French town hall. It is enshrined in the Japanese Constitution and in the American Declaration of Independence.

So it is perhaps not surprising that a minor outcry greeted a report last month that the United States is the most unequal of all the industrial countries, in terms of income and wealth.

One anxious commentator saw the news as a blow to America's "egalitarian" self-image, another as a sign that capitalism itself might be heading for a crack-up.

Both propositions are nonsense. The fact is that the other industrial countries, far from feeling smug about being more equal than the United States, are increasingly coming to realize that they must move in the American direction.

The very notion of equality is ambiguous. Most people are in favor of equal rights and opportunities. But few would agree that everyone should be paid exactly the same whatever job they do, regardless of age, skill and experience.

A social system that contained no financial incentives really would crack up — or be monstrously inefficient — like communism.

The real question is what degree of inequality is appropriate, and societies can differ on the answer. In an interna-

tional survey conducted in 1991, for example, nearly 60 percent of Spaniards said incomes should be made more equal, against only 29 percent of Americans.

The answer can also change over time. Most people in industrial countries became used to greater equality of incomes in the golden era of postwar economic growth that lasted until the 1973 oil shock.

In those days the narrowing of the gap between rich and poor was a good thing. It helped to achieve the prime economic

A social system that contained no financial incentives really would crack up — or be monstrously inefficient — like communism.

goal, which was to revive demand after the ravages of the Great Depression and World War II.

But what was economically appropriate in the 1950s and 1960s is not so today. Now the prime goal for industrial countries is to keep their populations employed in a global economy awash in cheap labor and new technology. Employment has become more important than greater equality in stimulating economic growth.

Indeed, one of the reasons the United States has kept its employment rate so much higher than those in European countries is precisely the greater inequality of American incomes — or wage "flexibility" as economists prefer to call it. Economists, like politicians, are highly uncomfortable explicitly advocating greater inequality, even if they know it makes sense.

Economically speaking, it is a question of incentives. Most Americans would prefer a low-paid job to none. In Europe, thanks to much higher social benefits, it is often better to have no job than a low-paid one. It is also a question of culture.

Despite the temporary narrowing of the wealth gap in the 1950s and 1960s, the United States has never really been an egalitarian society. As President Ronald Reagan used to say, America is a country of opportunity, not of guarantee. One of its greatest folk heroes is Horatio Alger, the ultimate self-made man.

In the 1991 survey, Americans said freedom was more important than equality by a ratio of 3 to 1. In Japan, freedom won by only a small margin.

But many Japanese now think they need more American-style individualism if they are to meet the economic challenges ahead. Europeans are increasingly aware that they must prune their costly welfare systems, inevitably creating more inequality.

In France, the new president, Jacques Chirac, wants to "unshackle the entrepreneurial spirit." That has to mean a little more *liberte* and rather less *egalite*.

JAPAN PACIFIC FUND

SICAV
Luxembourg, 11, rue Aldringen
R.C. Luxembourg n° B 8340

Les actionnaires de la Sicav Japan Pacific Fund sont informés que le Conseil d'Administration de la société a l'intention de modifier la devise d'expression de la Sicav en yens japonais (JPY) afin de mieux rendre compte des investissements de la Sicav qui portent sur l'acquisition principalement d'actions de sociétés situées au Japon ou dans cette zone géographique. A cette même occasion, deux modifications d'ordre mineur aux statuts sont proposées aux actionnaires.

Parallèlement seront prises au siège de la société avec un quorum de 50% des actions en circulation et à la majorité de 2/3 des actions présentes ou représentées lors de l'Assemblée Générale Extraordinaire du 21 juin 1995 à 11.00 heures, à laquelle les actionnaires seront invités.

Durant tout le mois précédant la date de cette Assemblée, les actionnaires sont libres de présenter leurs actions au rachat sans frais en faveur de la Sicav.

Le Conseil d'Administration

The Wernlin Directory
PRIVATE BANKING
ASSET MANAGEMENT IN SWITZERLAND
Günter Woernle
72 banks in Geneva
The leading directory on Portfolio Management in Geneva
In English. Available exclusively by order.
Tel (+41 22) 310 57 44 / Fax (+41 22) 310 57 45
Price: CHF 180.- VAT incl. (postal charges extra)



THREE MONTH INTERIM REPORT 1995

Investor's net worth on March 31 amounted to SEK 44,970 m. (Dec. 31, 1994: SEK 43,493 m.) or SEK 226 (218) per share. On May 15, its net worth amounted to SEK 47,677 m., or SEK 239 per share.

The Investor Group's consolidated income after financial items increased from SEK 222 m. to SEK 888 m.

Scania's sales rose by 49% and amounted to SEK 8,525 (5,707) m. Income after financial items was SEK 1,401 (540) m.

Saab's sales rose by 95% and amounted to SEK 1,928 (988) m. Income after financial items amounted to SEK 2 (76) m.

The interim report can be ordered from Investor AB, Investor UK Limited or Investor Asia Limited.

Board of Directors:
Peter Wallenberg, Bo Berggren,
Anders Scharp, Percy Barnevik,
Erik Belfrage, Claes Dahlbäck,
Håkan Mogren, Mauritz Sahlin,
Peter Sutherland (newly elected),
Tom Wachmeister and Marcus
Wallenberg.

INVESTOR AB

Investor AB, S-103 32 Stockholm, Sweden
Telephone +46-8-614 20 00 Telefax +46-8-614 21 50

Investor UK Limited
Telephone +44-171-409 1211
Telefax +44-171-409 1305

Investor Asia Limited
Telephone +852-2521 0271
Telefax +852-2810 4909

CURRENCY & INTEREST RATES

Cross Rates	May 18	May 19
American \$	1.00	1.00
British £	0.65	0.65
French F	6.55	6.55
German M	1.36	1.36
Italian L	1.36	1.36
Japanese ¥	106.5	106.5
Swiss S	1.48	1.48
Spanish P	166.6	166.6
Portuguese Esc	200.4	200.4
Belgian B	36.36	36.36
Dutch G	2.20	2.20
Australian A	0.75	0.75
New Zealand D	0.68	0.68
South African R	6.50	6.50
Israeli S	1.80	1.80
Chinese Y	8.27	8.27
Indian Rupee	47.5	47.5
Thai Baht	50.0	50.0
Philippine P	46.0	46.0
Indonesian Rp	1,576	1,576
Singapore S	1.36	1.36
Malaysian M	3.76	3.76
Thai Baht	50.0	50.0
Philippine P	46.0	46.0
Indonesian Rp	1,576	1,576
Singapore S	1.36	1.36
Malaysian M	3.76	3.76

THE AMERICAS

Chips Become a Sector for All Seasons

By Mitchell Martin
International Herald Tribune

PARIS—Wall Street this week woke up to a cultural shift.

"An interesting fact is that in the United States, the average age of an automobile in 1994 was eight years," Gary J. Grandbois of the research company Dataquest Inc. said Thursday. "This is the highest it's been since 1949 in the wake of World War II. Now there are a lot of reasons for this, but one of the reasons is young men no longer derive their identity from automobiles, they derive it from the power and performance of their personal computers."

That performance requires a lot of on-board computer memory, and the chips that provide it are in short supply. Semiconductor companies are unable to make enough chips to go around because their industry, accustomed to a boom-and-bust business cycle, is now struggling to keep up with a cultural shift toward electronics, led

by unexpectedly strong demand for PCs. Only the timidity of the chipmakers in committing the vast amount of capital needed to build chip factories, which cost about \$1 billion each, seems likely to limit the growth of the industry.

At Dataquest's annual European semiconductor conference Thursday, many of the speakers revised upward their estimates for 1995 sales, which no longer matched presentations they had prepared a few weeks ago. Their numbers echoed a rally Wednesday in shares of U.S. companies that make equipment used to make computer chips.

The catalyst on Wednesday was a better-than-expected earnings report by Applied Materials Inc., which said its second-quarter profit rose 70 percent as sales were up 64 percent. Its stock rose \$11.56, to \$80.26, on the news. The advance also followed a prediction late Tuesday from the Semiconductor Industry Association that the global market for chips would

expand 40 percent this year, to \$142.3 billion.

At the Dataquest conference, Daniel L. Kleckner, a managing director of the San Francisco-based investment firm Robertson Stephens & Co., predicted that by 2005, the world market for chips would total \$700 billion.

While the insatiable computer market is helping the chip industry shift away from its former cyclical nature, new industries, such as mobile telephony and automotive electronics, are providing new outlets. Alain Dubheil, a vice president of SGS-Thomson Microelectronics BV, the French-Italian venture, said that half of the current chip market is for applications that did not exist 20 years ago.

Despite the sparkling outlook for the industry, the massive amount of capital required to build new plants is a limiting factor. Mr. Grandbois of Dataquest predicted capital spending as a percentage of output would start falling in 1997.

Buyout Firm Targets Canadian Brewer Labatt

Compiled by Our Staff From Dispatches

TORONTO—Onex Corp. said Thursday it would offer to buy the Canadian brewer John Labatt Ltd. for about \$1.7 billion in a deal designed to focus the company's efforts on its beer business.

Onex, which specializes in buyouts, said once the transaction was completed it would sell off Labatt's broadcasting, sports and entertainment businesses, as well as some noncore brewing businesses. Labatt is the majority owner of the Toronto Blue Jays baseball team, an Argentine

brewery, will contribute \$12.5 million Canadian dollars (\$23.1 million) to the buyout.

Onex is offering 24 Canadian dollars (\$17.1) per share. The offer consists of

Foster's Brewing Group sells its British unit, Courage Ltd. Page 19.

21.25 dollars in cash and the rest in notes. It also includes the assumption of 1.4 billion in Labatt debt.

Labatt called the offer "inadequate." Shares in Labatt rose 2.375 dollars, to 24.25 dollars.

Labatt markets 10 Canadian brands including Labatt's Blue and Labatt Ice Beer, and 32 regional brands. It also has beer operations in the United States and Italy and owns 22 percent of Fomento Cerveza de Mexico, whose brands include Tecate, Carita Blanca and Dos Equis.

The initial offer will not include shares held by U.S. residents, Onex said.

David Cohen, an analyst at Research Capital Corp. said the offer was "a little light relative to the value of Labatt's assets."

(AP, Bloomberg)

TRADE: Dow Plunges Sharply

Continued from Page 15

in goods and services of \$106.57 billion.

Meanwhile, Japan's trade surplus narrowed 2 percent from a year earlier, to \$10.88 billion in April, Tokyo said on Thursday, but economists said the pace remained too slow to ease tensions with major trading partners.

In an ominous sign for Tokyo's dispute with Washington over auto imports, the surplus

some analysts' 1995 earnings estimates might be too high also put pressure on the stock market. Meanwhile, Wall Street analysts turned bearish on cyclical stocks like automakers.

At the end of the session, decliners had outpaced gainers on the Big Board by nearly a 3-to-1 ratio on volume of about 341 million shares.

Technology stocks bucked the trend, soaring on the heels of better-than-expected earnings from Applied Materials Inc. and a trade group's forecast for 40 percent growth in the global chip market this year.

Applied Materials, which makes machines for chip plants, rose 1 1/32 to 81 7/16. The stock has risen 22 percent this week.

Micron Technology rose 3/4 to 93 1/4 as the chipmaker benefited from the trend toward chip stocks.

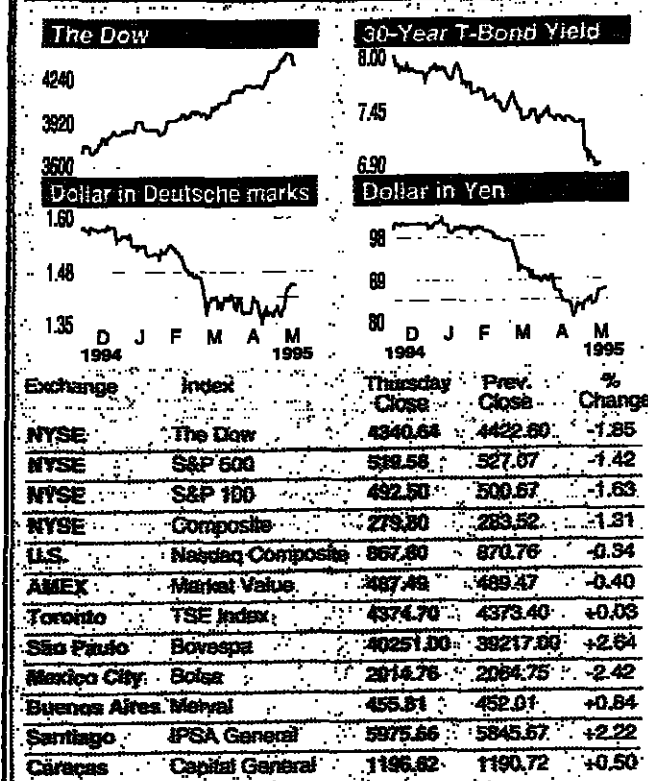
Stocks in carmakers fell as investors sought shelter from big industrial companies that would be hurt in the event of an economic downturn. General Motors fell 1 1/4 to 45 1/4. Ford fell 1/4 to 28 1/4.

Chrysler fell 1/4 to 42 1/4. The third-largest U.S. automaker announced a 25 percent rise in its quarterly dividend.

Johnson & Johnson fell 2 1/4 to 62 after the company warned Wednesday that analysts' 1995 earnings estimates of \$3.62 per share were "a little on the high side."

(AP, Bloomberg, Reuters)

Investor's America



Very briefly:

Time Sells Assets to Cut Debt

NEW YORK (AP-DJ)—Time Warner Inc. said Thursday it would sell 15 small cable systems in seven states for \$263.7 million as part of its debt-reduction plan.

The media and entertainment conglomerate said the operations being sold were more than 144,000 customers in Arkansas, Kansas, Mississippi, Missouri, New Jersey, Pennsylvania and Tennessee.

Time Warner said it had agreed to sell noncore assets to reduce debt by \$1.3 billion. Time did not disclose prices of the deals.

• BellSouth Corp. said it would cut up to 11,000 jobs by the end of 1997 as it accelerates a cost-cutting plan; the company said it would complete a previous plan to slash 10,200 jobs by the end of this year.

• Banco Nacional de México SA placed dollar-denominated debt certificates of \$206.5 million at a yield of 9.35 percent, becoming one of the first Mexican companies to re-enter capital markets since the devaluation of the peso in December.

• Southwest Airlines Co. said second-quarter profit would decline, the third consecutive period in which earnings will fall below the previous year; the company said the decline would be less than the 48 percent drop posted in the fourth quarter.

• Navistar International Corp. said its earnings doubled, to \$46 million, in the second quarter ended April 30 from the period a year ago, because of strong demand for its trucks and diesel engines, better pricing and cost-cutting measures.

AP, Bloomberg

U.S. Trade and Economic Reports Quash Early Dollar Rally

Bloomberg Business News

NEW YORK—The dollar edged higher against the yen, but slipped against European currencies Thursday as reports showing a slowing U.S. economy and a stubbornly high trade deficit crushed early enthusiasm.

The dollar had surged in early trading in New York amid reports that Foreign Minister Klaus Kinkel of Germany would resign as head of the Free Democratic Party. Mr. Kinkel later confirmed that he would not seek reelection as chairman at a party conference next month.

Some traders said the move raised questions about the future of Mr.

Kohl's government, and sold marks for dollars.

"People were very long on the Kinkel announcement," said Amy Smith of IDEA, a consulting firm. She said

Foreign Exchange

the dollar then fell back as traders began to think the surge was overdone. The dollar edged up to 86.90 yen from 86.75 yen on Wednesday. But it slipped to 1.4405 Deutsche marks from 1.4450 DM.

Traders said the dollar's early surge was not justified by any change in economic fundamentals, especially in light of Thursday's discouraging trade and economic news.

The Federal Reserve Bank of Philadelphia's Index of regional economic activity reinforced the view that the U.S. economy was slowing. At the same time, the U.S. trade deficit shrank a smaller-than-expected 4 percent in March.

The weak report means the Federal Reserve Board's policy-setting Open Market Committee will likely hold its rates steady, or even lower them, when it meets on Tuesday, traders and analysts said. Lower rates can hurt the dollar by making U.S. deposits less attractive.

Against other currencies, the dollar fell 5.1060 French francs from 5.1150. It fell to 1.2020 Swiss francs

from 1.2055. The pound rose to \$1.5778 from \$1.5700.

"The market is still speculating that the Fed might ease before we get anything else," said Joe Francamano, a trader at Dai-ichi Kangyo Bank.

Remarks by Wayne Angell, a former Fed governor, said that the central bank would keep rates stable at its next two policy meetings — next week and in July — reinforced the view that the Fed sees the economy slowing enough to keep rates in check, traders said.

The Fed has raised the rate on overnight bank loans seven times since February 1994. It last raised rates to 6 percent on Feb. 1.

A report from Japan early on Thurs-

day showed that while Japan's merchandise trade surplus with the rest of the world fell 2 percent in April from a year ago, to \$10.88 billion, its surplus with the U.S. rose 3 percent, to \$4.52 billion.

America's trade deficit with Japan was about \$66 billion last year, leaving Japanese exporters with a wealth of dollars to sell for yen. Many analysts cite the trade gap as the main reason for the dollar's sharp decline against the yen this year.

The U.S. on Tuesday announced that it would slap punitive tariffs on as much as \$5.9 billion in Japanese luxury car exports in an effort to force Japan to open its markets.

WORLD STOCK MARKETS

Friday, May 19					High					High					High					High					High				
Prices in local currencies.					Low					Low					Low					Low					Low				
Amsterdam					Frankfurt					Johannesburg					Kuala Lumpur					London					Hong Kong				
Amst. 100	100.00	100.00	100.00	100.00	Frankf. 100	100.00	100.00	100.00	100.00	Johann. 100	100.00	100.00	100.00	100.00	Kuala 100	100.00	100.00	100.00	100.00	London 100	100.00	100.00	100.00	100.00	Hong 100	100.00	100.00	100.00	100.00
Amst. 250	250.00	250.00	250.00	250.00	Frankf. 250	250.00	250.00	250.00	250.00	Johann. 250	250.00	250.00	250.00	250.00	Kuala 250	250.00	250.00	250.00	250.00	London 250	250.00	250.00	250.00	250.00	Hong 250	250.00	250.00	250.00	250.00
Amst. 500	500.00	500.00	500.00	500.00	Frankf. 500	500.00	500.00	500.00	500.00	Johann. 500	500.00	500.00	500.00	500.00	Kuala 500	500.00	500.00	500.00	500.00	London 500	500.00	500.00	500.00	500.00	Hong 500	500.00	500.00	500.00	500.00
Amst. 1000	1000.00	1000.00	1000.00	1000.00	Frankf. 1000	1000.00	1000.00	1000.00	1000.00	Johann. 1000	1000.00	1000.00	1000.00	1000.00	Kuala 1000	1000.00	1000.00	1000.00	1000.00	London 1000	1000.00	1000.00	1000.00	1000.00	Hong 1000	1000.00	1000.00	1000.00	1000.00
Amst. 1500	1500.00	1500.00	1500.00	1500.00	Frankf. 1500	1500.00	1500.00	1500.00	1500.00	Johann. 1500	1500.00	1500.00	1500.00	1500.00	Kuala 1500	1500.00	1500.00	1500.00	1500.00	London 1500	1500.00	1500.00	1500.00	1500.00	Hong 1500	1500.00	1500.00	1500.00	1500.00
Amst. 2000	2000.00	2000.00	2000.00	2000.00	Frankf. 2000	2000.00	2000.00	2000.00	2000.00	Johann. 2000	2000.00	2000.00	2000.00	2000.00	Kuala 2000	2000.00	2000.00	2000.00	2000.00	London 2000	2000.00	2000.00	2000.00	2000.00	Hong 2000	2000.00	2000.00	2000.00	2000.00
Amst. 2500	2500.00	2500.00	2500.00	2500.00	Frankf. 2500	2500.00	2500.00	2500.00	2500.00	Johann. 2500	2500.00	2500.00	2500.00	2500.00	Kuala 2500	2500.00	2500.00	2500.00	2500.00	London 2500	2500.00	2500.00	2500.00	2500.00	Hong 2500	2500.00	2500.00	2500.00	2500.00
Amst. 3000	3000.00	3000.00	3000.00	3000.00	Frankf. 3000	3000.00	3000.00	3000.00	3000.00	Johann. 3000	3000.00	3000.00	3000.00	3000.00	Kuala 3000	3000.00	3000.00	3000.00	3000.00	London 3000	3000.00	3000.00	3000.00	3000.00	Hong 3000	3000.00	3000.00	3000.00	3000.00
Amst. 3500	3500.00	3500.00	3500.00	3500.00	Frankf. 3500	3500.00	3500.00	3500.00	3500.00	Johann. 3500	3500.00	3500.00	3500.00	3500.00	Kuala 3500	3500.00	3500.00	3500.00	3500.00	London 3500	3500.00	3500.00	3500.00	3500.00	Hong 3500	3500.00	3500.00	3500.00	3500.00
Amst. 4000	4000.00	4000.00	4000.00	4000.00	Frankf. 4000	4000.00	4000.00	4000.00	4000.00	Johann. 4000	4000.00	4000.00	4000.00	4000.00	Kuala 4000	4000.00	4000.00	4000.00	4000.00	London 4000	4000.00	4000.00	4000.00	4000.00	Hong 4000	4000.00	4000.00	4000.00	4000.00
Amst. 4500	4500.00	4500.00	4500.00	4500.00	Frankf. 4500	4500.00	4500.00	4500.00	4500.00	Johann. 4500	4500.00	4500.00	4500.00	4500.00	Kuala 4500	4500.00	4500.00	4500.00	4500.00	London 4500	4500.00	4500.00	4500.00	4500.00	Hong 4500	4500.00	4500.00	4500.00	4500.00
Amst. 5000	5000.00	5000.00	5000.00	5000.00	Frankf. 5000	5000.00	5000.00	5000.00	5000.00	Johann. 5000	5000.00	5000.00	5000.00	5000.00	Kuala 5000	5000.00	5000.00	5000.00	5000.00	London 5000	5000.00	5000.00	5000.00	5000.00	Hong 5000	5000.00	5000.00	5000.00	5000.00
Amst. 5500	5500.00	5500.00	5500.00	5500.00	Frankf. 5500	5500.00	5500.00	5500.00	5500.00	Johann. 5500	5500.00	5500.00	5500.00	5500.00	Kuala 5500	5500.00	5500.00	5500.00	5500.00	London 5500	5500.00	5500.00	5500.00	5500.00	Hong 5500	5500.00	5500.00	5500.00	5500.00
Amst. 6000	6000.00	6000.00	6000.00	6000.00	Frankf. 6000	6000.00	6000.00	6000.00	6000.00	Johann. 6000	6000.00	6000.00	6000.00	6000.00	Kuala 6000	6000.00	6000.00	6000.00	6000.00	London 6000	6000.00	6000.00	6000.00	6000.00	Hong 6000	6000.00	6000.00	6000.00	6000.00
Amst. 6500	6500.00	6500.00	6500.00	6500.00	Frankf. 6500	6500.00	6500.00	6500.00	6500.00	Johann. 6500	6500.00	6500.00	6500.00	6500.00	Kuala 6500	6500.00	6500.00	6500.00	6500.00	London 6500	6500.00	6500.00	6500.00	6500.00	Hong 6500	6500.00	6500.00	6500.00	6500.00
Amst. 7000	7000.00	7000.00	7000.00	7000.00	Frankf. 7000	7000.00	7000.00	7000.00	7000.00	Johann. 7000	7000.00	7000.00	7000.00	7000.00	Kuala 7000	7000.00	7000.00	7000.00	7000.00	London 7000	7000.00	7000.00	7000.00	7000.00	Hong 7000	7000.00	7000.00	7000.00	7000.00
Amst. 7500	7500.00	7500.00	7500.00	7500.00	Frankf. 7500	7500.00	7500.00	7500.00	7500.00	Johann. 7500	7500.00	7500.00	7500.00	7500.00	Kuala 7500	7500.00	7500.00	7500.00	7500.00	London 7500	7500.00	7500.00	7500.00	7500.00	Hong 7500	7500.00	7500.00	7500.00	7500.00
Amst. 8000	8000.00	8000.00	8000.00	8000.00	Frankf. 8000	8000.00	8000.00	8000.00	8000.00	Johann. 8000	8000.00	8000.00	8000.00	8000.00	Kuala 8000	8000.00	8000.00	8000.00	8000.00	London 8000	8000.00	8000.00	8000.00	8000.00	Hong 8000	8000.00	8000.00	8000.00	8000.00
Amst. 8500	8500.00	8500.00	8500.00	8500.00	Frankf. 8500	8500.00	8500.00	8500.00	8500.00	Johann. 8500	8500.00	8500.00	8500.00	8500.00	Kuala 8500	8500.00	8500.00	8500.00	8500.00	London 8500	8500.00	8500.00	8500.00	8500.00	Hong 8500	8500.00	8500.00	8500.00	8500.00
Amst. 9000	9000.00	9000.00	9000.00	9000.00	Frankf. 9000	9000.00	9000.00	9000.00	9000.00	Johann. 9000	9000.00	9000.00	9000.00	9000.00	Kuala 9000	9000.00	9000.00	9000.00	9000.00	London 9000	9000.00	9000.00	9000.00	9000.00	Hong 9000	9000.00	9000.00	9000.00	9000.00
Amst. 9500	9500.00	9500.00	9500.00	9500.00	Frankf. 9500	9500.00	9500.00	9500.00	9500.00	Johann. 9500	9500.00	9500.00	9500.00	9500.00	Kuala 9500	9500.00	9500.00	9500.00	9500.00	London 9500	9500.00	9500.00	9500.00	9500.00	Hong 9500	9500.00	9500.00	9500.00	9500.00
Amst. 10000	10000.00	10000.00	10000.00	10000.00	Frankf. 10000	10000.00	10000.00	10000.00	10000.00	Johann. 10000	10000.00	10000.00	10000.00	10000.00	Kuala 10000	10000.00	10000.00	10000.00	10000.00	London 10000	10000.00	10000.00	10000.00	10000.00	Hong 10000	10000.00	10000.00	10000.00	10000.00
Amst. 10500	10500.00	10500.00	10500.00	10500.00	Frankf. 10500	10500.00	10500.00	10500.00	10500.00	Johann. 10500	10500.00	10500.00	10500.00	10500.00	Kuala 10500	10500.00	10500.00	10500.00	10500.00	London 10500	10500.00	10500.00	10500.00	10500.00	Hong 10500	10500.00	10500.00	10500.00	10500.00
Amst. 11000	11000.00	11000.00	11000.00	11000.00	Frankf. 11000	11000.00	11000.00	11000.00	11000.00	Johann. 11000	11000.00	11000.00	11000.00	11000.00	Kuala 11000	11000.00	11000.00	11000.00	11000.00	London 11000	11000.00	11000.00	11000.00	11000.00	Hong 11000	11000.00	11000.00	11000.00	11000.00
Amst. 11500	11500.00	11500.00	11500.00	11500.00	Frankf. 11500	11500.00	11500.00	11500.00	11500.00	Johann. 11500	11500.00	11500.00	11500.00	11500.00	Kuala 11500	11500.00	11500.00	11500.00	11500.00	London 11500	11500.00	11500.00	11500.00	11500.00	Hong 11500	11500.00	11500.00	11500.00	11500.00
Amst. 12000	12000.00	12000.00	12000.00	12000.00	Frankf. 12000	12000.00	12000.00	12000.00	12000.00	Johann. 12000	12000.00	12000.00	12000.00	12000.00	Kuala 12000	12000.00	12000.00	12000.00	12000.00	London 12000	12000.00	12000.00	12000.00	12000.00	Hong 12000	12000.00	12000.00	12000.00	12000.00
Amst. 12500	12500.00	12500.00	12500.00	12500.00	Frankf. 12500	12500.00	12500.00	12500.00	12500.00	Johann. 12500	12500.00	12500.00	12500.00	12500.00	Kuala 12500	12500.00	12500.00	12500.00	12500.00	London 12500	12500.00	12500.00	12500.00	12500.00	Hong 12500	12500.00	12500.00	12500.00	12500.00
Amst. 13000	13000.00	13000.00	13000.00	13000.00	Frankf. 13000	13000.00	13000.00	13000.00	13000.00	Johann. 13000	13000.00	13000.00	13000.00	13000.00	Kuala 13000	13000.00	13000.00	13000.00	13000.00	London 13000	13000.00	13000.00	13000.00	13000.00	Hong 13000	13000.00	13000.00	13000.00	13000.00
Amst. 13500	13500.00	13500.00	13500.00	13500.00	Frankf. 13500	13500.00	13500.00	13500.00	13500.00	Johann. 13500	13500.00	13500.00	13500.00	13500.00	Kuala 13500	13500.00	13500.00	13500.00	13500.00	London 13500	13500.00	13500.00	13500.00	13500.00	Hong 13500	13500.00	13500.00	13500.00	13500.00
Amst. 14000	14000.00	14000.00	14000.00	14000.00	Frankf. 14000	14000.00	14000.00	14000.00	14000.00	Johann. 14000	14000.00	14000.00	14000.00	14000.00	Kuala 14000	14000.00	14000.00	14000.00	14000.00	London 14000	14000.00	14000.00	14000.00	14000.00	Hong 14000	14000.00	14000.00	14000.00	14000.00
Amst. 14500	14500.00	14500.00	14500.00	14500.00	Frankf. 14500	14500.00	14500.00	14500.00	14500.00	Johann. 14500	14500.00	14500.00	14500.00	14500.00	Kuala 14500	14500.00	14500.00	14500.00	14500.00	London 14500	14500.00	14500.00	14500.00	14500.00	Hong 14500	14500.00	14500.00	14500.00	14500.00
Amst. 15000	15000.00	15000.00	15000.00	15000.00	Frankf. 15000	15000.00	15000.00	15000.00	15000.00	Johann. 15000	15000.00	15000.00	15000.00	15000.00	Kuala 15000	15000.00	15000.00	15000.00	15000.00	London 15000	15000.00	15000.00	15000.00	15000.00	Hong 15000	15000.00	15000.00	15000.00	15000.00
Amst. 15500	15500.00	15500.00	15500.00	15500.00	Frankf. 15500	15500.00	15500.00	15500.00	15500.00	Johann. 15500	15500.00	15500.00	15500.00	15500.00	Kuala 15500	15500.00	15500.00	15500.00	15500.00	London 15500	15500.00	15500.00							

ASIA/PACIFIC

Foster's Sells Courage To Scottish & Newcastle

Compiled by Our Staff From Dispatches
MELBOURNE — Foster's Brewing Group Ltd. ended more than a year of speculation Thursday by announcing the sale of its Britain-based brewing operation to Scottish & Newcastle PLC in a deal valued at 1.2 billion Australian dollars (\$875 million).

Foster's said it would sell its Courage Ltd. brewing unit for an initial payment of 924 million dollars, and that an additional 252 million dollars would be received over the next three years through an agreement involving its interest in British pubs.

A further 26 million dollars was expected from rights to 10 million Scottish & Newcastle shares.

The decision to sell Courage followed increased competition in Britain from less expensive imports and a regulatory climate subject to frequent change.

Ted Kunkel, the company's chief executive, said the British beer industry had been subjected to 33 inquiries over the past 30 years by the government.

He also said the sale of Courage would enable Foster's to pursue growth opportunities in other countries, including China and India. "It puts Foster's

in an excellent financial position and enables a strategic and management focus on acquisitions in the beverage and beverage-related industries," he said.

Mr. Kunkel added that the deal would be enhanced by royalty payments of 152 million dollars over the next 10 years on the Foster's brand. Foster's, which is 37-percent owned by Australia's largest company, Broken Hill Pty., is the second largest-selling brand of beer in Britain.

The agreement gives Scottish & Newcastle the exclusive right to brew, package and market Foster's brands in Britain and Continental Europe for an unlimited period. It also allows a Foster's joint venture with Grand Metropolitan PLC, Innsbruck Estates Ltd., to remain tied to Courage for beer supplies until March 1998. Foster's owns 50 percent of 4,330 pubs through the venture.

Edinburgh-based Scottish & Newcastle said it would partially finance the purchase by selling new shares at 475 pence each to existing shareholders in order to raise \$354 million (\$555 million). It said it would sell one new share for every seven held in the rights issue.

Scottish & Newcastle also said that it expected to generate

combined annual beer sales of more than \$2.2 billion with a portfolio of brands that would include Beck's, Coors, Miller, Courage Best, Kronenbourg, Holsten and Foster's.

Analysts in London said it was unclear whether the acquisition would be approved by British regulatory authorities. Scottish & Newcastle said the purchase would give it a 25-percent share of the British market, which might prompt a referral to the Mergers and Monopolies Commission, Britain's antitrust authority.

Foster's shares fell 3 cents, closing at 1.27 dollars, in Sydney, while Scottish & Newcastle shares fell seven pence, to 340 pence, in London.

Referring to Scottish & Newcastle, Jonathan Goble, an analyst at the brokerage Barclays de Zoete Wedd, said: "My inclination is that this isn't a share that is going up. The U.K. beer market is not growing."

Foster's paid \$1.3 billion for Courage in 1985 as part of what the company's former chief executive, John Elliot, called a campaign to "Fosterize the world." But Courage did not live up to expectations and has been a profit-drainer in the Foster's brewing family. (AP, Bloomberg, Reuters)

Nomura Restores Errant Executives To Board Posts

By Steven Brull
International Herald Tribune

TOKYO — Nomura Securities Co. said Thursday it would rehabilitate two executives who resigned four years ago to take the blame for the company's dealings with organized crime and covering losses for big-time clients.

After serving as "advisers" to Japan's biggest securities company the past four years, the former chairman, Setsuya Tabuchi, and former president Yoshihisa Tabuchi will rejoin its board, the company said. The two are not related.

The move came as a surprise in Japan because Nomura has been trying to reform its image by promoting younger executives and re-vamping its research.

It also underscored how the common Japanese practice of officials and executives resigning to accept responsibility for wrongdoings is often more a charade than a sacrifice. Given the title of

"adviser," many fallen executives simply go about their business as usual.

"Nothing had changed except the titles on the door," said Alicia Ogawa, a financial analyst at Salomon Brothers Inc. "They continued to wield the same influence."

A Nomura spokesman said their elevation was needed to permit them to play more active roles in cultivating new business, particularly in Asia, where corporate rank can be a key to access.

He said the executives, who had been key players in building Nomura into the world's biggest securities company in the late 1980s, would not be members of the "management committee," which makes the most important decisions.

Analysts said Nomura's move showed that during a period of financial distress for Japan's securities companies, top executives with proven skills had enough clout to reclaim their status.

Profits Rise But Japan's Traders Say Sales Fall

Compiled by Our Staff From Dispatches

TOKYO — Japan's major trading companies posted generally higher annual profits Thursday but sounded cautious about the current year, reflecting flat or declining revenue in the period ended March 31.

Itochu Corp. showed the biggest rise, as its consolidated current profit rose 19 percent from a year earlier, to 36.60 billion yen (\$423.9 million).

Sales, however, slipped 1 percent, to 15.94 trillion yen, in the year ended March 31, and a spokesman for the Osaka-based company said, "We can't foresee any meaningful growth" this year.

Mitsubishi Corp. said current profit rose 16 percent, to 58.27 billion yen, its first increase in four years. But revenue was off 2 percent, at 13.81 trillion yen.

Fuyo Co. posted a 9 percent profit increase, at 50.6 billion yen, but sales fell 5 percent, to 15.08 trillion yen.

Marubeni Corp. went against the trend, as its current profit fell 15 percent, to 35.08 billion yen, but it forecast an improvement this year, to 38 billion yen. Its revenue fell 5 percent, to 14.37 trillion yen.

Marubeni blamed the yen's rise and falling interest earnings for its showing. A Sumitomo Corp. executive, Muneko Shigemitsu, said that while Japan's strong currency had allowed companies to pay less for goods they import, the yen's rise was "not really favorable overall."

Sumitomo said unconsolidated current profit was 35.55 billion yen, little changed from 35.54 billion yen, as revenue fell 3 percent. (Bloomberg, AFP)

Stocks Head Lower

Stocks fell to their lowest level in a month, and traders cited foreign reluctance to buy Japanese shares with the dollar rising and concern about the weak Japanese economy. Bloomberg Business News reported.

The Nikkei 225-stock index lost 158.79 points, or 0.96 percent, to end at 16,312.56. Its lowest close since April 18. Declining issues outnumbered advances by more than 2 to 1.

Financial issues, including Fuji Bank Ltd. and Sanwa Bank Ltd., led the decline. Traders cited concern about the banking sector's ability to cope with Japanese companies' bad debts.

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
1994	2400	20000
1995	2300	19000
1996	2200	18000
1997	2100	17000
1998	2000	16000
1999	1900	15000
2000	1800	14000
2001	1700	13000
2002	1600	12000
2003	1500	11000
2004	1400	10000
2005	1300	9000
2006	1200	8000
2007	1100	7000
2008	1000	6000
2009	900	5000
2010	800	4000
2011	700	3000
2012	600	2000
2013	500	1000
2014	400	0

Source: Reuters International Herald Tribune

Very briefly:

- Mitsubishi Estate Co., blaming rising vacancy rates and falling rents in Japan, posted a 31 percent decline in annual profit, to 32.69 billion yen (\$378.6 million) for the year ending March 31. It refused to comment on the effect of the bankruptcy filing last week by its Rockefeller Center subsidiary in New York.
- Shimizu Corp.'s pretax profit plunged 70 percent, to 36.59 billion yen, and other major construction companies reported steep profit declines for the year ended in March.
- Toray Industries Inc.'s consolidated pretax earnings fell 11 percent, to 30.2 billion yen, but sales edged up 2 percent in the year ended in March.
- Hong Kong's credit rating of A3 reflects political and economic uncertainty stemming from the colony's growing integration with China, Moody's Investors Service Inc. said in an annual report on the colony.
- Metro Pacific Corp., a Philippine unit of First Pacific Co. of Hong Kong, had first-quarter net income of 52.8 million pesos (\$2.1 million), double the year-earlier figure.
- Australian company profits were 6.4 billion dollars (\$4.7 billion) in the first quarter, 8.3 percent more than a year earlier.
- National Australia Bank Ltd. posted a 10 percent increase in net profit for the six months ended March 31, to 954 million dollars from 868.8 million dollars a year earlier. Reuters, AFP, Bloomberg, AP

Packer's Fortune Dwindles

Review Weekly outlines a difficult 12 months for Mr. Packer, including some big corporate defeats and an unsolved theft last month of 5.4 million dollars of gold bars from his Sydney offices.

The study, conducted annually by an Australian business magazine, still has Mr. Packer well ahead of the second-richest Australian but says his net assets have fallen by 2.5 billion Australian dollars (\$1.82 billion) since May 1994, to 3 billion dollars.

The study by the Business

Ban Lifts Shanghai Equities

Bloomberg Business News

SHANGHAI — The key index on the Shanghai bourse soared 32 percent to a seven-month high on Thursday as money piled into stocks following a nationwide ban on bond-futures trading.

The bond-futures market has been highly active in recent weeks, and analysts said the ban freed up several billion yuan to be invested elsewhere.

The Shanghai A share index, which tracks stocks reserved for Chinese investors, climbed to 796.32 points, up from 602.75 points on Wednesday. The index hasn't traded that high since September 30. Nearly 8.5 billion yuan (\$1.0 billion) in shares changed hands, up from just 124.9 million yuan on Wednesday.

"It's all a bit crazy," said Zhang Yuying, a trader at Pingan Insurance Co., which has more than 100 million yuan invested in the equity market. "I expect prices to bounce around at these levels for a while because there's so much money floating around."

Individuals said that institutions were able to make transactions before small investors because of preferential treatment offered at many securities houses. "I can't get in," said Chen Liying, a gift-product saleswoman who failed in her attempt to buy 10,000 shares of Tibet Pearl Co. at 14 yuan each at the opening bell. "The big

institutions are controlling everything, making it too dangerous for individual investors."

Spencer Lin, an 82-year-old former employee at a foreign-trade company, added: "Everyone wants to buy today because of the bond-futures trading ban. We're all expecting a big jump in prices."

The China Securities Regulatory Commission issued a circular late Wednesday, suspending bond-futures trading across the country. The circular, carried in all major state media, said China was "not yet equipped" for trading in treasury-bond futures.

Analysts said that investors in the bond market took that as a signal to pile back into stocks. The A-class shares are sold exclusively to domestic investors, while B shares can be bought by foreigners.

World Bank Backs China Reforms

The World Bank said Thursday that China needed to press ahead with reforms of its state-owned enterprises if it was to maintain economic growth and prevent social unrest, Reuters reported from Beijing.

A new report by the World Bank called "Meeting the Challenge of Chinese Enterprises Reform" cited weaknesses in plans to raise the efficiency of China's 104,000 state-owned enterprises.

Brokerage Profits Vanish

Compiled by Our Staff From Dispatches

TOKYO — Three of Japan's four largest brokerage houses reported large losses Thursday, reversing year-earlier profits, and the largest one, Nomura Securities Co., said its current profit fell 87 percent.

Smaller companies fared no better in the year ended March 31, as the 16 other brokerage concerns listed on the first section of the Tokyo Stock Exchange reported losses totaling 206.56 billion yen (\$2.39 billion).

In addition to the strong yen and the effects of the Kobe earthquake in January, brokers blame their woes on Tokyo's dismal stock market, dwindling trading commissions and their loss of business to foreign companies and to financial centers outside Japan.

"Just as the U.S. brokers toppled England's largest securities firms," said Atsushi Saito, Nomura's executive managing director, referring

to New York's eclipse of London as a financial center in this century, "the same thing is happening here in Japan, and we just can't sit by and ignore that fact."

Nomura, Japan's largest securities concern, said its current profit fell to 6.80 billion yen from 50.69 billion yen the previous year.

Daiwa Securities Co., the second-biggest, slipped to a loss of 32.59 billion yen from a profit of 24.57 billion yen. Nikko Securities Co. also fared poorly, posting a loss of 22.74 billion yen after profit of 16.81 billion yen, and Yamabuchi Securities Co. plunged to a loss of 52.59 billion yen from earnings of 20.37 billion yen.

Their performances, combined with those of the smaller firms, meant the brokerage industry more than quadrupled its loss of 71 billion yen in the previous year. (AFP, AP, Bloomberg)

Hong Kong Exchange Is 'Coming Clean'

Bloomberg Business News

HONG KONG — Revelations this month that senior executives of three Hong Kong companies had criminal records have prompted charges that the stock exchange does not do enough to protect investors.

The Stock Exchange of Hong Kong Ltd., admitting that its system of screening share sales broke down, asked the territory's top securities regulator on Wednesday to help it review its standards of disclosure.

Exchange officials are examining how their review system failed following the disclosure on Tuesday that Goldlion Holdings Ltd. sold shares in

1992 without telling investors its chairman had been convicted twice for misleading consumers with false labels on Goldlion products.

Stock-exchange officials admitted that they failed to follow their own disclosure rules when Goldlion sold shares, and pledged to tighten their standards with the help of the Securities & Futures Commission.

Herbert Hui, the head of listing at the exchange, said: "I've come clean. These problems are cropping up too much to sweep under the carpet."

Mr. Hui said the recent disclosures of executives' criminal records suggested that the ex-

change was making progress in keeping investors informed.

The revelation of Mr. Tsang's record followed the resignation of two executives of Win Win International Holdings Ltd. earlier this month after it was disclosed they had criminal records.

A spokesman said a panel composed of officials from the stock exchange and the Securities & Futures Commission would consider requiring all directors to provide a certificate from the police saying they had no criminal convictions before their companies sell shares.

Since November 1993, directors have been required to sign

a declaration saying they have not had a criminal conviction.

For investors, the latest revelations underscored the potential pitfalls of investing in many Asian markets, where openness often falls short of Western standards.

"If you're surprised by any of this, you shouldn't be investing in Asia," said Eric Sandlund of Prudential Portfolio Managers (Asia) Ltd.

For investment information, read the MONEY REPORT every Saturday in the IHT

INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday International Recruitment
- Tuesday Education Directory
- Wednesday Business Message Center
- Thursday International Conferences and Seminars
- Friday Real Estate Marketplace, Holidays and Travel
- Saturday Arts and Antiques

Plus over 300 headings in International Classified Monday through Saturday
For further information, contact Fred Roman in Paris: Tel: (33-1) 41 43 93 91 - Fax: (33-1) 41 43 93 70

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

On June 26th, the IHT will publish a Sponsored Section on

THE EUROPEAN UNION

Among the topics to be covered are:

- Analyzing the EU's key challenges in the coming year.
- The EU's quest for monetary union.
- Evolution of the EU's relations with Central Europe.
- Prospects for Southern Europe in the next five years.
- The EU and Third-World Aid.

This section will coincide with the EU Summit in Cannes, France (June 28-29). For further information, please contact Bill Mahler in Paris at (33-1) 41 43 93 78 or fax: (33-1) 41 43 92 13.

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

CURRENCY AND CAPITAL MARKET SERVICES

COMPLIMENTARY REPORTS

Dynamic Techniques of a Professional Currency Trader
These comprehensive reports are mandatory reading for all investors trading, or contemplating trading today's currency markets. Futures to Forex, subjective fundamental to objective technical, self directed to managed, Mr. Catranis and his staff have reviewed it all.

EXECUTION FROM \$12 PER LOT TRADE

To receive your free reports and our service guide call toll-free:

Switzerland 155-7233 U.K. 0800-96-6632
Germany 0130-82-9666 France 0590-2246
Belgium 0800-1-5880 Denmark 8001-6132
Netherlands 06-022-0657 Greece 00-808-11-921-3013
American toll-free +714-498-8136 (fax) +714-498-8131 (voice)
American toll-free 800-859-7028 (fax) 800-884-8767 (voice)

PETER CATRANIS SENIOR CURRENCY TRADER

Mr. Catranis is an 18 year veteran currency trader. He has authored numerous publications and software programs for beginners and experts alike. He has researched hundreds of currency programs and extracted billions of dollars in real-time trade. Currently he is accepting a limited number of new accounts. Account minimums: \$10,000 to \$5,000,000 USD, depending on the program. FOREX CAPITAL MANAGEMENT. Excellence in confidential trading services. Chicago Mercantile Exchange Center 30 S. Wacker Dr. #1912, Chicago IL 60606, U.S.A.

24HR
0171-865 0800
Daily Fax Service
Competitive Rates
London Dealing Desk
CURRENCY MANAGEMENT CORPORATION PLC, 11 Colindale Avenue, London NW9 1BE, UK. Tel: 0171-865 0800

For further details on how to place your listing contact: WILL NICHOLSON in London
Tel: (44) 71 836 48 02 - Fax: (44) 71 240 2254

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Broadcasters In Thailand Change Fare

Bloomberg Business News

BANGKOK — Thailand's two largest pay-television companies moved Thursday to alter their programming ahead of the planned launching of a new cable system this month.

Thai Sky TV, owned by the media concern Wattachak Co., signed an agreement with STAR TV, Asia's largest satellite broadcaster, giving it local rights to news from British Broadcasting Corp. as well as STAR's movie channel and the Prime Sports network.

Meanwhile, International Broadcasting Corp. said it was dropping BBC broadcasts and restoring Turner Broadcasting System Inc.'s Cable News Network to its offerings.

The company, which had carried CNN for four years, dropped it May 1. International Broadcasting, a unit of Shinawatra Computer & Communications Co., complained that Turner also gave broadcasting rights to the new cable system, Universal Cable TV Co.

After subscribers sent letters of complaint to English-language newspapers, IBC President Niwat Boonsong said CNN would be restored Friday.

Universal, a unit of the telephone company TelecomAsia Corp., is to begin commercial broadcasts this month.

Corrier Lullin & Cie

1995
Two Centuries of Private Banking

15, rue Petitol - Case postale
CH-1211 Genève 11
Tel. 022/708 38 38 - Telefax 022/708 38 12
Genève - Luxembourg - Nassau - Singapore

For further details on how to place your listing contact: WILL NICHOLSON in London
Tel: (44) 71 836 48 02 - Fax: (44) 71 240 2254

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

NYSE

Thursday's 4 p.m.

[illegible]

257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00	257a	W. J. A. 2.00
------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------	------	---------------

Thursday's 4 p.m. Close

[illegible]

SPORTS

For Nomo, a 14-K Gem but No W

The Associated Press

Thus far, here's the line on Hideo Nomo: Four starts, no decisions, no dull moments.

Nomo struck out 14, the most in the majors this season, and allowed only two hits in seven innings Wednesday night. But he was relieved after throwing 106 pitches and the Los Angeles Dodgers' bullpen blew a two-run lead as the visiting Pittsburgh Pirates won, 3-2.

No matter what Nomo threw, the Pirates didn't have much luck hitting it. He was both overpowering and dazzling, mixing an assortment of hard breaking pitches with a true major-league fastball that had batters guessing and lunging.

He got a standing ovation after his 11th strikeout, in the fifth inning, then heard the crowd chant, "No-mo, No-mo" in the seventh.

"It's a really good feeling," he said through an interpreter. "I'm not frustrated, but I'm a little disappointed

because I want to pick up wins for the team."

"Maybe I could have gone longer," he added.

But Nomo ended up this game the same way he finished up his three previous starts: without a decision. In his other three starts, Nomo pitched five innings of one-hit ball in San Francisco, allowed seven runs and three homers in Colorado and

NL ROUNDPUP

pitched four hitless innings against St. Louis, allowing three runs and seven walks.

This time, Nomo walked only three and lowered his earned-run average almost two points, to 3.48. The 14 strikeouts gave him the National League lead with 33, and the Pirates comeback was almost an afterthought to those who watched the pitching performance.

"He was spectacular. To pitch the way he did and not win that ballgame

is really a sad, sad, sad situation," said the Dodgers' manager, Tom LaSorda.

Pittsburgh tied, at 2, on RBI singles by Dave Clark and Jeff King. Then, in the ninth, Mark Parent opened with a single off Todd Williams. Pinch-runner Angelo Encarnacion was bunted to second and scored the winning run on Brumfield's line single to center off Antonio Osuna.

Nomo, who threw at least 140 pitches in a game 61 times during his five seasons with the Kintetsu Buffaloes, said he could have gone longer.

"He didn't have any pitch limit," LaSorda said. "We just felt he hasn't pitched very long, and he hadn't gone more than five innings before. So we weren't going to push him any farther."

Phillies 3, Marlins 1: In Miami, not even six innings won't be a hit could stop Philadelphia.

Chris Hammond took a no-hitter into the seventh, but the first hit of the game was Mariano Duncan's RBI double that tied the score, 1-1.

Then pinch-hitter Mickey Morandini's two-run homer off Richie Lewis in the top of the 13th beat the Marlins.

Rockies 6, Braves 5: Mike Kingery drove in three runs, his hit in the eighth breaking a tie, as visiting Colorado scored six times off Greg Maddux, doubling the number of runs the three-time defending Cy Young Award winner has allowed this season.

And the Rockies beat the Braves for just the third time in 26 games



Hideo Nomo, caught by a multiple-exposure photograph, struck out 14 Pirates and gave up just two hits.

since they joined the league in 1993.

Reds 6, Expos 2: Ron Gant drove in Cincinnati's go-ahead run in the sixth, scored an insurance run later that inning and hit an RBI triple in the ninth in Montreal.

Giants 2, Cubs 1: In San Francisco, Barry Bonds homered off the upper

deck in right in the seventh to drive in both runs against Chicago.

Mark Portugal allowed a run in the first, but then retired 20 straight Cubs and allowed just three hits in 7 1/2 innings.

Astros 7, Mets 2: Houston got 14 hits to break out of its hitting slump

at home, with Luis Gonzalez tying a career high with four hits and driving in two runs with a triple in a three-run first against New York.

Padres 2, Cardinals 1: Melvin Nieves, in a 2-for-22 slump, hit a two-run homer as San Diego won its 12th straight home game against St. Louis.

Rangers Sweep Three From Jays

The Associated Press

Kevin Gross's earned run average rose from 9.82 to 10.35 against the Toronto Blue Jays, but he still got his first American League victory.

"I really struggled with my control," he said after the Texas Rangers' 12-7 victory.

The Rangers, who completed a three-game sweep Wednesday night, fell behind by 5-0 in the second, when Gross gave up a bases-empty homer to John

AL ROUNDPUP

Olerud. Devon White hit a three-run drive and Downing Cedeno got his first big league homer.

But the Rangers came back with six runs in the bottom of the inning and three more in the third. Dean Palmer homered in both innings.

"We did get the lead," said Toronto's manager, Cito Gaston, "but it didn't last 10 minutes. We could use a day off, that's for sure."

Danny Darwin was pounded for all nine runs and 10 hits in 2 1/2 innings. His ERA, already doled, from 4.96 to 8.64.

The Rangers, who got 14 hits, finished the series with 36 runs and 41 hits.

Orioles 7, Tigers 4: Jeff Manto hit his first home run since 1991 during a five-run sixth inning, as Baltimore, playing at home, overcame a four-run deficit and two homers by Detroit's Cecil Fielder.

Kevin Brown pitched eight innings, matching his career high with 10 strikeouts, allowing eight hits but no walks.

Twins 7, Angels 3: Rookie Marty Cordova hit a two-run homer, and Minnesota took advantage of three errors to score five unearned runs off visiting California.

Kevin Tapani, who scattered nine hits, stranded four runners at third base in seven-plus innings. He had a shutout until Jim Edmonds homered leading off the seventh.

White Sox 6, Athletics 4: Mike LaValliere, with just one previous hit this season, put Chicago ahead with a two-run double in the seventh.

Visiting Oakland turned six double plays, tying a team record, but short of the AL mark. The Athletics had taken a 3-2 lead in the sixth on Rickey Henderson's solo homer off Jose DeLeon.

Manters 4, Royals 0: Edgar Martinez doubled in two of the fifth inning's four runs as visiting Seattle won its fourth game of the last 11.

Red Sox 3, Brewers 2: Mo Vaughn drove in three runs for visiting Boston, while Milwaukee was nearly shut out for the fourth time in six games.

The Brewers had gone 20 consecutive innings without a run before reliever Ken Ryan, on B.J. Surhoff's grounder, threw wildly to third in the ninth and allowed Derrick May to score. Surhoff then scored on Turner Ward's single and Jose Valentin's ground out.

SCOREBOARD

The Associated Press

TOKYO — The president of the Fukuoka Daiei Hawks said Thursday he had not yet decided whether to release American slugger Kevin Mitchell, who has not been playing because of a suspected knee injury.

Ryuzo Sotomura of the Daiei Hawks confirmed that Mitchell's name had been taken off the Japanese team's list of players Wednesday, but added: "We are now studying his future."

Mitchell, 33, who left the Cincinnati Reds as a free agent and signed with the Daiei Hawks for one of the largest salaries in Japanese baseball, an estimated \$5.5 million, has batted .247 with six home runs in 25 games.

He hurt his right knee in mid-April, and has not played since last Friday. Mitchell wants medical treatment, but doctors who examined the injury Monday didn't regard it as serious enough to affect his playing. Kyodo News Service said.

Major League Standings

AMERICAN LEAGUE

East Division

W L Pct GB

Boston 13 5 .722 —

New York 10 8 .556 3

Toronto 9 11 .450 5

Detroit 8 12 .400 6

Baltimore 7 13 .386 7

Central Division

W L Pct GB

Cleveland 12 5 .706 —

Minnesota 10 8 .556 3

Kansas City 10 8 .556 3

Chicago 7 11 .450 6

West Division

W L Pct GB

Seattle 10 8 .556 —

California 11 7 .611 1

Oakland 10 8 .556 2

Texas 10 11 .476 3 1/2

NATIONAL LEAGUE

East Division

W L Pct GB

Philadelphia 15 5 .750 —

Montreal 12 7 .632 3 1/2

Atlanta 10 10 .500 5

New York 8 12 .400 7

Florida 5 15 .250 10

Central Division

W L Pct GB

Chicago 12 7 .632 —

Houston 10 9 .526 2

Cincinnati 9 10 .474 3

St. Louis 9 12 .429 4

Pittsburgh 6 13 .316 6

West Division

W L Pct GB

Colorado 11 10 .524 2 1/2

San Francisco 10 10 .500 3

Los Angeles 10 11 .476 3 1/2

San Diego 10 11 .476 3 1/2

Wednesday's Line Scores

AMERICAN LEAGUE

Boston 9, New York 2; Detroit 8, Toronto 0; Baltimore 7, Tampa Bay 0; Minnesota 10, Kansas City 0; Chicago 7, Cleveland 0; Oakland 10, Texas 0; Seattle 10, California 0; St. Louis 9, Houston 0; Pittsburgh 6, Cincinnati 0; Philadelphia 15, Montreal 0; Atlanta 10, New York 0; Florida 5, Miami 0; San Francisco 10, Los Angeles 0; San Diego 10, Colorado 0.

NATIONAL LEAGUE

Philadelphia 15, Montreal 0; Atlanta 10, New York 0; Florida 5, Miami 0; San Francisco 10, Los Angeles 0; San Diego 10, Colorado 0; Chicago 12, Houston 0; Cincinnati 9, St. Louis 0; Pittsburgh 6, Cleveland 0; Detroit 8, Toronto 0; Baltimore 7, Tampa Bay 0; Minnesota 10, Kansas City 0; Oakland 10, Texas 0; Seattle 10, California 0; St. Louis 9, Houston 0; Pittsburgh 6, Cincinnati 0; Philadelphia 15, Montreal 0; Atlanta 10, New York 0; Florida 5, Miami 0; San Francisco 10, Los Angeles 0; San Diego 10, Colorado 0.

ARTS & ANTIQUES

Every Saturday

Contact Kimberly Guernsey-Belmont

Tel: (333) 41 43 94 76

Fax: (333) 41 43 93 70

or your nearest IHT office

or representative

sec. (8), Mitchell (9) and Parent, Encarnacion

(9); Nomo, Seane (8), Dool (8), T. Williams

(8), Olerud (9) and Co. Hernandez, W. Pizarro

1-4; L. Williams, 2-1; Sw-Mitchell (3).

Japanese Leagues

Central League

W L Pct GB

Yokohama 17 12 0.587 —

Hiroshima 15 14 0.517 4 1/2

Yamaguchi 14 17 0.450 6 1/2

Chunichi 12 19 0.387 8 1/2

Hanshin 12 19 0.387 8 1/2

Thursday's Results

Hiroshima 2, Chunichi 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Chunichi 2, Yokohama 0

Yokohama 2, Chunichi 0

Yamaguchi 2, Chunichi 0

Bud Sports Notes

MAY 19, 1975

GERMANY'S KARL-HANS RIEHM SHATTERS THE HAMMER-THROW RECORD. THING IS, HE DOESN'T JUST BREAK THE RECORD ONCE, HE DOES IT SIX TIMES IN LESS THAN TWO HOURS. HE FINISHES WITH A BEST OF 257'6".

All covered, Budweiser, and this Bud for you.

Calgary 2, 0 1-3

San Jose 1, 3 1-5

(Series tied 3-3)

First Period—San Jose, Golinich 2 (Dob-

son, Rattelle); 2:15, San Jose, Golinich 2 (Dob-

son, Rattelle); 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, Rattelle); 5:12, Penalties—Kruske, Col-

lorne; 4:44, Calgary, Kennedy 2 (Olu-

son, R



A-MAZED — Olivier Rouma led his French teammates through drills in Pretoria as the last of the teams — England, Wales, Ireland, Argentina, Italy, Romania and Ivory Coast — arrived in South Africa for the month-long World Cup.

2 Chinese Women Break Vault Record

TAIYUAN, China — Zhong Qiuqing and Sun Caiyun both broke the world record for the women's pole vault Thursday at the national athletics championships.

Each cleared the bar at 4.08 meters (13 feet, 4 1/2 inches), the 18-year-old Zhong on her first try at the championships here in the capital of the northern province of Shanxi. Sun made it on her second try, then failed in an attempt at 4.15 meters.

They broke two records that are still pending ratification by the International Amateur Athletic Federation in Monaco, the 4.06-meter vault by Sun in March and the 4.07-meter effort that her teammate, Cai Weiyuan, recorded earlier this month.

Earlier Thursday, the China Sports Daily reported that the IAAF had carried out unannounced drug tests on five top Chinese women athletes at the championships, among them the pole-vaulter Cai.

It said the others were triple jumper Ren Ruiping, the bronze medalist in the world indoor championships in Barcelona in March; long jumper Yao Weil, who won

the Asian Games gold medal last October with an event record 6.91-meter leap, and Sai Ximei, who won the shotput in Hiroshima.

A second shotputter, Zhang Linhong, was also tested, the paper said.

The tests were conducted by two officials of the IAAF's anti-drug commission, Nils Lindstedt and Petra Lodstedt, who would take the urine samples to Sweden for analysis. It was the ninth time this year that Chinese athletes had been given unannounced tests, the newspaper said.

The championships, which began Wednesday, will serve as a national trial for the world championships in August in Gothenburg, Sweden.

Chinese authorities pledged to clamp down on drug use after 11 athletes, seven of them swimmers, tested positive at the games in Hiroshima. Officials of the Pan Pacific Swim Championships later barred the Chinese team from competing in Atlanta this August.

Beijing has admitted that drugs are a problem in Chinese sports. But National Olympic Committee officials insist that

only a tiny fraction of their athletes are involved and that the positive tests should not overshadow the country's recent sporting achievements.

World and Olympic 100-meter champion Linford Christie will race against world record holder Leroy Burrell, double Olympic sprint champion Carl Lewis and Dennis Mitchell in Moscow in September, meet officials said Thursday.

Mike Marsh, the Olympic 200-meter champion, and Canada's Bruny Surin have also been lined up for the 100-meter race on Sept. 3 during the NIKE-World Class track and field competition in Moscow's Lokomotiv Stadium, officials said.

Alexander Lubimov, a spokesman for the promoter World Class, declined to say how much Linford would be paid for his first race in Russia. Lewis was understood to have asked for \$100,000 to compete in Moscow for the first time since 1986.

Both have said they do not want to race each other before the world championships on Aug. 5-13.

Another Thriller, and Game, for Knicks

Miller Can't Trump Ewing This Time

NEW YORK — Slowed by injuries, often in foul trouble, outscored by Rik Smits, Patrick Ewing still managed to save the New York Knicks.

Ewing, whose rebound dunk with 26 seconds left in Game 7 of the Eastern Conference finals last year crushed the Indiana Pacers' hopes, did it again Wednesday night just when it appeared that the visitors — playoff losers to the Knicks the last two seasons — would take a series from the Knicks for the first time.

He scored only 19 points, and for most of the game was dramatically outplayed by

Smits, the Pacers' center, but won it with a spinning jumper in the lane with 1.8 seconds left. The 96-95 loss left the Pacers shaking their heads, but still with a 3-2 lead in the best-of-7 conference semifinal.

"I thought I was Michael Jordan," said Ewing, who was 7 for 20 from the field before that shot. "It's always a big man's dream to get the ball, spin and drive. It was the same move I'd been making all game, only this time it went in."

After he picked up his fifth foul, with two minutes left, the Knicks took a seven-point lead only to give it all back.

Two free throws by Anthony Mason, who got all 13 of his points in the final period, put them ahead by 94-87 with 53 seconds to play. The 6-foot, 7-inch Mason had also guarded the 7-4 Smits for most of the final period, holding him scoreless after the Pacers' center outscored Ewing, 28-13, through three quarters.

"I try to front him, maybe get him frustrated," Mason said, "anything to keep him from the basket."

But then it was Miller time again.

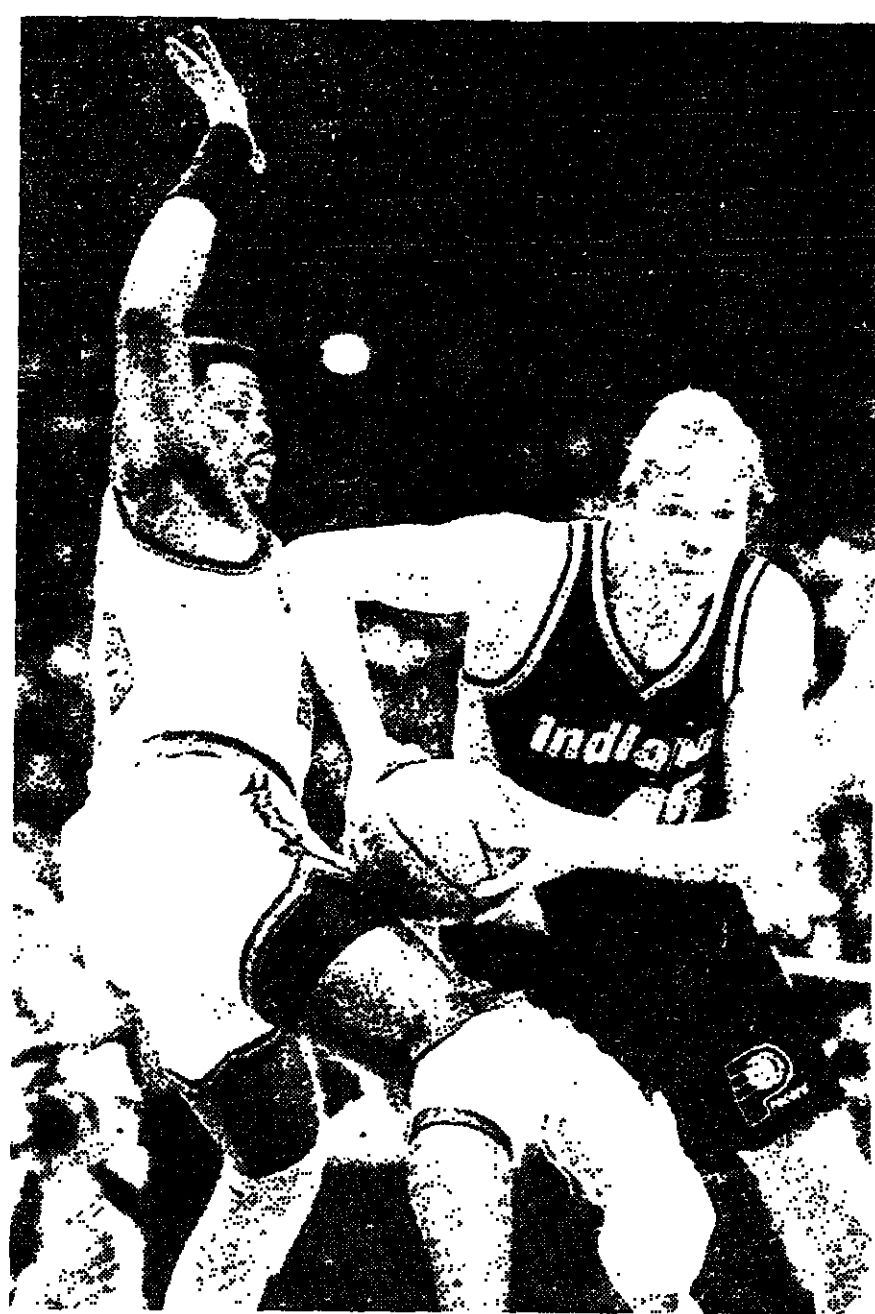
Reggie Miller built his reputation in New York with 25 points in the fourth quarter of Game 5 last year, giving Indiana a 3-2 series lead. In last week's Game 1, he scored eight points in the final seconds. And, though he hadn't made a shot from the field in this quarter, his 3-pointer with 32 seconds left made it 94-92.

After Indiana controlled a jump ball, Byron Scott's 3-pointer with 5.9 seconds left put the Pacers in front. Scott had been 4-of-17 in the series.

The Knicks called time with their season on the line, and in a game that meant so much to their franchise, they went to their franchise player. Mason inbounded the ball to Starks, who came close to traveling with it. From the top of the key, Starks passed to Ewing, who drove to his right, dribbled into the lane, spun back to his left and jumped over Antonio Davis for his patented jump shot. The ball hit nothing but net. The crowd roared.

It was the kind of move Ewing hadn't been able to often make recently, mainly because Smits was usually in his way. But Smits wasn't on the floor for this play.

"It was a little bit of déjà vu from Game



Patrick Ewing was brushed aside by Rik Smits, until the game-winning shot.

1," said Smits, who led Indiana with 28 points, although he didn't score in the fourth quarter. "But it didn't work out. Reggie made a big shot, Byron made a big shot and Patrick made a big shot."

Many of the Pacers thought that not only the last shot was big.

"Patrick hit a big shot, and he took a couple of big steps to get there," Miller said.

And he almost pulled off another miracle after Ewing's basket.

The Pacers called time and inbounded the ball to their star. Under tight defense on the right side, he got off a 30-foot shot that hit the side of the rim as time expired.

"To tell the truth, I thought it was going down," said Miller, who finished with 23 points but made just 3-of-11 of his 3-

pointers. "All you want is a good look, and I got a good look. I want to take that last shot, to be either the hero or the goat. But that was a fantastic game, what the playoffs are all about."

The series moves to Indianapolis, followed by Game 7 back in New York on Sunday if the Knicks win Friday night.

Only four teams in NBA history have come back from a 3-1 deficit to win a playoff series, and no team has done it since 1981, when the Boston Celtics overtook the Philadelphia 76ers.

"When all seems lost, you have to stay the course," said the Knicks' coach, Pat Riley. "As true as it sounds, you have to keep believing. We saved the game here at home and upped the ante." (AP, NYT)

Wife Has Given Up Hope For English Sailor Mitchell

CHARLESTON, South Carolina — The wife of Henry Mitchell says that she has accepted the probability that the 70-year-old English sailor, last heard from March 2 during the BOC Challenge, will not be found.

At a gathering to honor Mitchell on Tuesday night at the headquarters of the around-the-world yacht race, his wife, Diana, said that it was not unusual to have lost contact with her husband while he was at sea. But, she said, she has accepted that this time he will not return.

"I realize now that it's likely Harry's not going to show up at all, and I wanted this chance for his colleagues and friends to say good-bye," she said.

Mitchell was about 1,500 miles west of Cape Horn and in a storm when a distress signal was activated about his 40-foot yacht, Henry Hornblower. Weeks of searching the area have turned up no trace of Mitchell or the boat.

"From what we know now, and this can only be speculation, it appears Henry Hornblower may have been overwhelmed quickly by the storm of March 2," said the race director, Mark Schrader.

SIDELINES

Preakness Favorite to Start Outside

BALTIMORE, Maryland (Reuters) — Thunder Gulch, the Kentucky Derby winner and early 2-1 favorite for Saturday's 120th Preakness Stakes at Pimlico Race Course, drew the outside 11th post position Thursday.

Talkin Man, the 4-1 second choice and the expected early frontrunner, drew the No. 4 position while Timber Country, third in the Derby and the 9-2 third choice, drew the No. 7 spot. The complete draw, starting with the No. 1 post position:

Iron (20-1), Our Gatsby (10-1), Mystery Storm (20-1), Talkin Man (4-1), Teano Run (6-1), Pana Brass (30-1), Timber Country (9-2), Star Standard (12-1), Mecke (15-1), Oliver's Twist (12-1) and Thunder Gulch (2-1).

Mitchell Leads Spanish Open Golf

MADRID (AP) — Peter Mitchell of England carded three eagles Thursday en route to a 6-under-par 66 that gave him the first-round lead in the Spanish Open.

Ignacio Garrido of Spain was at 67, with Phillip Price of Wales, Costantino Rocca of Italy, and José Rivero of Spain at 68.

The field includes five former Masters champions: Seve Ballesteros (70), José María Olazábal (73), Bernhard Langer (71), Sandy Lyle (75) and Ian Woosnam (75). If Langer makes the cut for a 56th straight time, he will tie a record that has stood since 1979.

Blackhawks Still Can't Shake Maple Leafs

The Chicago Blackhawks, though they have been trying since 1938, still have not eliminated the Toronto Maple Leafs from the playoffs.

The Blackhawks had a chance to finally knock off their longtime rivals in the playoffs Wednesday night, but lost, 5-4, in an overtime that forced a decisive Game 7 in their Western Conference series.

The Blackhawks outplayed the Maple Leafs for most of the 70 minutes, but couldn't overcome a troublesome second period, when they were faced with five power plays and were outscored by 3-0.

"We just couldn't finish them off," said forward Denis Savard. "We were in the penalty box all period. That takes the momentum away."

The Maple Leafs won on Randy Wood's second goal of the game, 10 minutes into the overtime.

Chicago outshot Toronto, 50-37, with a 7-3 advantage in overtime. And the Blackhawks' Murray Craven fired a shot off

a goalpost four minutes in, but it was the Leafs who got the final shot.

Mats Sundin made a sensational rush, carried the puck behind Chicago's net and, when he came around to the side of goaltender Ed Belfour, lost control of the puck. But Belfour, meanwhile, had gone down in a pileup at his crease.

NHL PLAYOFFS

"I figured if Mats couldn't stuff it he'd at least pop it out into the slot, which luckily happened," Wood said. "I was just looking for any garbage that was going to be lying around the crease."

His shot squeezed under several sets of legs, slid across the line and brought the capacity crowd of 15,700 at Maple Leaf Gardens to its feet.

"I'm telling you, when you come into Maple Leaf Gardens and the Toronto Maple Leafs are against the wall, you're not just playing the Leafs, you're playing the whole world," said

the Blackhawks' coach, Darryl Sutter.

The Maple Leafs have won five playoff series from the Blackhawks since 1938.

Along with Wood's two goals, Dmitri Mironov, Tie Domi and Mike Ridley scored for Toronto. Dirk Graham, Savard, Joe Murphy and Brent Sutter scored for Chicago.

Chicago dominated the first period and led, 1-0, on Graham's goal. Only outstanding goaltending by Felix Potvin kept Toronto, outshot by 19-8 that period, in contention.

Referee Terry Gregson, who hadn't allotted a power play in the first period, then assessed Chicago five of the six penalties he called when he beat Trevor Kidd from the slot.

Blues & Canucks 2: Brett Hull and Esa Tikkanen each scored twice as St. Louis won in Vancouver and sent their series to a seventh game.

Hull scored both his goals in the first period, then assisted on Tikkanen's second goal of the game, in the third, as the Blues completed the rout.

CROSSWORD

ACROSS

1 Laissez-
2 Element of
disguise
11 Alternative to
85-Across

13 Alternative to
31-Across
16 Rapidly
17 G.I. carrier
18 Musical interval

20 Mauna —
21 conclusion...
(wrapping-up
phrase)
22 The G-String
Murders' author
24 Approach
25 Cartridge fill
26 Alternative to
22-Down
27 Winchless
28 Come before,
as the eyes
31 Alternative to
13-Across
33 Feminine
ending
34 Sports period
35 Drop a line?
36 Assault
40 Alternative to
24-Down
42 Sashes
43 Elliot's mixer
46 Alternative to
64-Across
49 Court seat
50 Something to
shake

51 Toy
manufacturer
52 Phillips 66
competitor
54 Eng. king
55 Clip out
56 Houston
interstate
58 Nixon
predecessor
62 Opening
64 Alternative to
48-Across
66 Alternative to
11-Across
68 Kind of clippers
69 Relief

DOWN

1 Gross
2 Never
surpassed
3 — de France
4 Rules,
informally
5 French 101 verb
6 His gently
7 Fix permanently
8 Model of
honesty
9 Most repulsive
10 Rot
11 — needles
12 From
Stalingrad, e.g.:
Abbr.
13 Motion picture
14 Lachrymose
15 Home additions
22 Alternative to
25-Across
24 Alternative to
40-Across
25 — C.I.O.
27 Help for a
pedestrian
28 Defendants, at
law
32 Skeleton
character
35 Fruit beverage
37 Debussy's "La
Elizbethan
knight
38 Rings of color
41 Rubs out
43 Fortress
44 Entomopho-
bic's fear
45 Blacuts
46 Mollen matter
47 Withdraw as a
judge

84 Schindler
document
85 Noted
presentation?
86 Loudly lament
87 Vaccine type
88 Vex
89 Stashed
90 Als. neighbor

Solution to Puzzle of May 18

PAJANAS MIDAIR
MERIDIAN ANEMIA
ON THE GRAVITY TRAIN
OCEAN FABLE
GIRD DEUCE LITAM
SLY WIN LELLE
BUBBLES DECLAN
SUPERCONDUCTORS
ODDNESS LOCUS
CLIFF OAR KAM
KISS SPURT SOLO
OTITIS FIRPO
GENETIC ENGINEER
AYASE RAILCARS
PARKAIS SEGMENT

ESCORTS & GUIDES

BELGRAVIA ORCHIDS

LONDON PARIS GENEVA ZURICH
Escort Agency Credit Cards Welcome
Tel: 0171 5895237

International European Escort
Services for Men & Women
Buenos Aires/Los Angeles/Singapore/Panama/Moscow/Chennai/London/Paris/Rome/Berlin/Munich/Hamburg/Saltzburg/Vienna/Amsterdam/Los Angeles/Batavia/London/Chennai/Batavia
Call London: 0171 589 7799

INTERNATIONAL ESCORTS
Service Worldwide
Tel: 212-765-7876 New York, USA
Major Credit Cards Accepted

ARISTOCATS Escort Agency
3 Shaftesbury St. London W1
0171 253 0090

CHERISH ESCORT SERVICE
51 Brompton Place, London SW2
Tel: 0171 264 0512

LONDON PORTMAN ESCORT
Service of Client's Choice, W1
Tel: 0171 484 1138/024 credit card

INTERNATIONAL CLASSIFIED
(Continued From Page 4)

GENEVA • 346 00 89 •
GLAMOUR ESCORT AGENCY & BASE

**** ZURICH ** VIOLET ****
Escort Service. Credit cards accepted.
Tel: 077 / 60 83 32.

****CHICAGO & NEW YORK****
COSMOPOLITAN ESCORT SERVICE
Chicago: Tel: 312-739-1119
New York: Tel: 212-733-3729

ZURICH / BASEL
Escort Service
Tel: 077 32 56 60, 077 38 06 79

VIENNA • PARIS • ZURICH • GENEVA
HIGH SOCIETY International Escort
Vienne: Tel: +43-1-535 41 84 of cash
Tel: 212-586-6172

NEW YORK-MALE ESCORT SERVICE
Mark: A touch of Class
Tel: 079 355414

CONNOISSEURS OF EXCELLENCE
LONDON ESCORT SERVICE
Tel: 079 355414

SUZANNAH ESCORT SERVICE
LONDON ESCORT SERVICE
Tel: 0171 771 493 4082

*** GLAMOUR Model & Escort Service ***
English speaking Escort Service.
Tel: 34-1-564625

LAUREN • ESCORT SERVICE
London & Heathrow
0850 172340

MUNICH • WELCOME
Escort & Guide Agency
PLEASE CALL 089 - 91 21 14.

*** FANTASY ***
of escort
Tel: 09-473294

ZURICH-GENEVA-PARIS-MONACO
AMETISTE Escort Service
CALL SWITZERLAND 089-610 22 39.

BRUSSELS-LUXEMBOURG
International Escort
Escort Service. Tel: 33-34381 53

FRANKFURT • "EXECUTIVE CLASS"
Escort, TRAVEL & BUSINESS SERVICE
PLEASE CALL 069/997 43 38

***** EXECUTIVE *****
Escort Service
Tel: 021 771 43 53 / 071 297980

LONDON • ESCORT • SERVICE *
Escort Service
Tel: 0171 795 4456

VIENNA, ALL AUSTRIA, PRAGA
Renech's Supreme Escort Service
New Number: +43 1 533 50 44.

**** GENEVA INTERNATIONAL ****
Escort Service
Tel: 022 7 71 43 53 / 071 297980

UK MAJOR CITIES
Japanese Escort Service
0950 572543

ORIENTAL ESCORT SERVICE
LONDON
PLEASE PHONE 0171 725 3314

*** VIENNA • PARIS • BRUXELLES • ROME ***
Escort & Travel Service.
Call Vienna: +43-1-2120431.

TO OUR READERS IN HOLLAND

It's never been easier
to subscribe and save.
Just call today: 02503-24024

OBSERVER

Time for a Speech

By Russell Baker

NEW YORK — It is commencement season. Last winter I foolishly agreed to make a commencement speech. Winter is when you get your commencement speeches. In winter it's hard to believe in commencement. Winter is not a commencing time of year. In a good old Middle Atlantic winter it is only natural to believe nothing will ever commence again.

The hunters who go after commencement speakers know this. So they strike in winter. The phone rings. Will you come in faraway May and make a commencement speech?

The honor is almost irresistible. And since May will probably never come, it's unlikely a speech will actually have to be given. Even if May should come, in the meantime you might get lucky and die and not have to make the speech.

All this I know from long experience. Many times have I agreed in dead of winter to make commencement speeches. So far I have yet to get lucky and die before time to make the speech.

Once again May has, in fact, come. What is to be said to American youth this year as it goes forth into the world?

At the start of my commencement-speech career I labored under the influence of General George Marshall, who took the occasion of a Harvard commencement to propose the Marshall Plan for the rebuilding of Europe. Unqualified to propose plans for rebuilding other continents that were in bad shape, I confined myself to calls for the young to go forth into the world and serve their country as nobly as Marshall had.

Then, went the peroration, each of them, too, might one day propose something as noble

as the Marshall Plan. It was the poet Ezra Pound who put an end to this phase of my commencement career. He turned up without warning as an honored guest at a commencement I had promised to harangue at Hamilton College.

What to do? There was no time to revise the speech, to say something that wouldn't sound absurd to a man so finicky about words that he had edited T.S. Eliot for taste. I did what had to be done. I exhorted Ezra Pound to go forth and do good works.

Several years passed before I could face the commencing public again. In that time the world had gone noticeably downhill.

I resumed commencement speaking with a new theme. Instead of urging commencement to go forth, I pleaded against it, begging them not to go forth into the world. It had once been a very good world, thanks to the genius, toil and magnificent character of persons my age.

Lately, however, it had become a highly unsatisfactory world, as an apparently endless stream of new generations went forth into it. Since this constant going forth of commenced persons was making a terrible mess of the world, I begged them to stop going forth.

Many heeded the plea and moved back in with mom and dad. This has earned me many cruel letters from moms and dads. The gist of these threats is that unless I resume urging graduates to go forth I had better give up commencement speeches. This I am perfectly willing to do. I never wanted to give commencement speeches to begin with, and never would if they didn't come after me in winter.

Now here it is — May already, and still alive. And not an idea in the world.

New York Times Service

A Supreme Archivist Digs Into His Past

By Rick Atkinson
Washington Post Service

LEIPZIG, Germany — Otto L. Bettmann, also known as the Picture Man, stares out of the window in the hometown he fled 60 years ago, having vowed never to return.

Across the street soars the spire of the Thomaskirche, the church where Johann Sebastian Bach served as choir director for 27 years. Around the corner stands Auerbach's Keller, the pub where Faust sold his soul to Mephistopheles in Goethe's epic 19th-century poem. Next door is the old laboratory of Wilhelm Röntgen, the German physicist who won a 1901 Nobel Prize for discovering X-rays.

And everywhere in Leipzig are the ghostly images of Bettmann's youth: the leafy park where he played as a boy; the fire station where horse-drawn pumpers once clattered into the street; the high-ceilinged suite where his father had a thriving medical practice.

It's enough to make even the most un sentimental man a bit weepy. But at age 91, Bettmann — who describes himself as "papier-mâché history" — permits himself a single observation while surveying the scene from a fourth-floor room at No. 20 Dittrichring, where the Bettmann family lived for more than 30 years. "This," he says softly, gazing into the middle distance of the past, "was my bedroom."

In 1935, having been fired as a museum curator during the Nazi purge of Jewish state employees, Bettmann sailed for New York. He took the clothes on his back, 10 marks in his pocket and two suitcases stuffed with old photographs deemed worthless by a German emigration inspector.

From those suitcases emerged the Bettmann Archive, a repository of photos, illustrations and other images that has grown to more than 12 million items — "an invaluable, irreplaceable and original source of graphic materials for art directors, book publishers, encyclopedia compilers, T-shirt manufacturers and cereal-box designers from creative gridlock," as The New York Times once proclaimed.

Along the way, Bettmann wrote a dozen books, made a major contri-



Archivist Otto Bettmann visiting Leipzig for the first time since 1935.

bution to the development of both picture journalism and America's infatuation with images — and remained implacably hostile to his native Germany. He rejected all invitations from various German governments — West, East and reunited — to return for a visit.

But last week Bettmann came back, persuaded by friends that he should not go to his grave without seeing Leipzig again. The trip has been cathartic for the 91-year-old, the Sigmund Freud beard.

In 1915, when he was 12, Bettmann began rooting through his father's trash for discarded anatomical and medical illustrations.

With a doctorate from the University of Leipzig and another degree as a master librarian, Bettmann was hired in

Berlin as curator of rare books at the Prussian State Art Library. It was a perfect job for a young man who loved old books and old pictures, but it lasted only until the Nazis got around to purging Jews from the civil service in 1933.

Supported by his family in Leipzig, he bided his time for a couple of years, waiting for the country to come to its senses.

By November 1935, even the optimistic Bettmann could see that Hitler was not going to blow over. Persuaded to emigrate by relatives living abroad, he packed up his pictures and sailed away.

"When I came down the gangplank in New York, I felt a certain fresh air that I have loved ever since," he recalls. "When the immigration official asked me what I did, I explained to him that I

was an art historian. He said, "That's wonderful. We need people like you here."

His timing was impeccable. He had arrived at the dawn of picture journalism in the United States, when big glossy magazines such as Life and Look spawned both imitators and a demand for the kind of images Bettmann carried in those two suitcases. By renting pictures on a one-time-use basis, the Bettmann Archive became an enterprise whose inventory was never reduced by sales.

Some photos in the collection would become instantly recognizable, such as the flaming crash of the Hindenburg zeppelin or President Harry S. Truman holding up a Chicago newspaper with a headline proclaiming his election loss to Thomas E. Dewey. Other images were obscure or arcane or beautifully ordinary.

"I took away the idea that even if you are not in the genius class, work conquers all," he says. "You cannot be totally unsuccessful if you apply your self."

Bettmann's own story is entering its final chapters. His mind remains spectacularly acute, but he moves with a slow shuffle — notwithstanding his daily regimen of push-ups "till it hurts."

His wife of 30 years died in 1988, seven years after Bettmann sold the archive to another German émigré; it retains his name and spirit, though it has increased in size considerably and is now also a commercial outlet for two large news agencies.

Bettmann has described his retirement in Florida as "a very pleasant hiatus between being and nothingness." In fact, he remains relentlessly busy.

His book on the Gilded Age and the American cult of nostalgia, called "The Good Old Days: They Were Terrible," remains a cult classic and has reportedly sold 200,000 copies. His 1993 autobiography, "Bettmann: The Picture Man," is a compelling testimonial to the American dream. His typed itinerary for this European trip includes a revealing last entry: "19 May. Start On Next Project."

Special correspondent Petra Kriskoch contributed to this article.

PEOPLE

Waters Cleans Up Act
To Sit on Cannes Jury

Director John Waters, sitting on the 10-member jury of the Cannes Film Festival, insists he's a changed man since he made "Pink Flamingos" and his other kitsch flicks of the '70s. "You know, at 20 it's fun to be crazy and at 50 it would be kind of sad," he once said he considered someone throwing up at his movies to be a standing ovation. Jeanne Moreau and Diane Keaton shared the honor of presiding over the festival opening.

Michael Jackson and his wife Lisa Marie Presley will give their first-ever joint television interview next month, ABC said. The interview will take place in the Egyptian Temple of Dendur, housed inside New York's Metropolitan Museum of Art. Organizers said Jackson has agreed to discuss the controversy over whether he sexually molested a boy. He has denied any wrongdoing and a civil case against him was settled out of court.

Fats Domino, 67, was admitted to a hospital following a concert in Sheffield, England, where he shared the stage with Chuck Berry and Little Richard. Doctors diagnosed exhaustion.

As a going-away present for President François Mitterrand of France, his Socialist supporters chipped in to buy him a Twingo. Renault's automaker. The president, well known as an assiduous pedestrian in Paris, suggested that his followers give the car to a charity raffle.

Tenor Luciano Pavarotti has gone pop, joining forces with Canadian rock star Bryan Adams for his latest album.

WEATHER

Forecast for Saturday through Monday, as provided by Accu-Weather.

Europe	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	24/75	14/57	5	25/77	17/52	5	26/78	18/53	5
Amsterdam	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Athens	22/71	12/53	3	23/72	13/54	4	24/73	14/55	5
Berlin	24/75	14/57	5	25/77	17/52	5	26/78	18/53	5
Bombay	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Buenos Aires	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Calcutta	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Cairo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Chennai	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Colombo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Copenhagen	12/53	3/41	11	13/54	4/42	12	14/55	5/43	13
Costa Rica	25/78	18/64	5	26/79	19/65	6	27/80	20/66	7
Dakar	12/53	3/41	11	13/54	4/42	12	14/55	5/43	13
Dhaka	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Durham	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Frankfurt	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Geneva	18/58	8/46	12	19/59	9/47	13	20/60	10/48	14
Helsinki	14/52	4/44	10	15/53	5/45	11	16/54	6/46	12
Istanbul	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Los Angeles	25/78	18/64	5	26/79	19/65	6	27/80	20/66	7
London	22/71	13/55	3	23/72	14/56	4	24/73	15/57	5
Madrid	22/71	13/55	3	23/72	14/56	4	24/73	15/57	5
Moscow	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Mumbai	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Nairobi	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Paris	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Perth	14/52	4/44	10	15/53	5/45	11	16/54	6/46	12
Puerto Rico	25/78	18/64	5	26/79	19/65	6	27/80	20/66	7
Rangoon	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Rio de Janeiro	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Sao Paulo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Shanghai	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Singapore	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Taipei	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Tokyo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Yokohama	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5

North America
Washington, D.C., and New York City will have dry and warmer weather over the weekend, then perhaps showers Monday. Toronto and Chicago may have a few showers over the weekend, then a soaking rain Monday. Heat will return to Texas and continue in Florida.

Europe
After a cool start to the weekend, London and Paris will have a slow warming trend. It may shower in London on Monday. Spain and Portugal will be warm and dry. Italy will be cool, with a chance of early-weekend showers. Extensive rains will affect eastern nations.

Asia
Ran will leave Korea on Saturday, with generally dry weather likely Sunday into Monday. Japan will have some showers and thunderstorms over the weekend, then Monday will be dry. Hong Kong and Taiwan will have several showers while Singapore has a couple of thunderstorms.

Middle East	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Abu Dhabi	30/87	24/75	5	31/88	25/76	6	32/89	26/77	7
Bahia	28/82	18/64	5	29/83	19/65	6	30/84	20/66	7
Bombay	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Buenos Aires	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Calcutta	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Cairo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Chennai	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Colombo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Copenhagen	12/53	3/41	11	13/54	4/42	12	14/55	5/43	13
Costa Rica	25/78	18/64	5	26/79	19/65	6	27/80	20/66	7
Dakar	12/53	3/41	11	13/54	4/42	12	14/55	5/43	13
Dhaka	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Durham	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Frankfurt	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Geneva	18/58	8/46	12	19/59	9/47	13	20/60	10/48	14
Helsinki	14/52	4/44	10	15/53	5/45	11	16/54	6/46	12
Istanbul	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Los Angeles	25/78	18/64	5	26/79	19/65	6	27/80	20/66	7
London	22/71	13/55	3	23/72	14/56	4	24/73	15/57	5
Madrid	22/71	13/55	3	23/72	14/56	4	24/73	15/57	5
Moscow	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Mumbai	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Nairobi	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Paris	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Perth	14/52	4/44	10	15/53	5/45	11	16/54	6/46	12
Puerto Rico	25/78	18/64	5	26/79	19/65	6	27/80	20/66	7
Rangoon	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Rio de Janeiro	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Sao Paulo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Shanghai	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Singapore	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Taipei	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Tokyo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Yokohama	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5

Europe	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	24/75	14/57	5	25/77	17/52	5	26/78	18/53	5
Amsterdam	19/59	9/48	13	20/60	10/49	14	21/61	11/50	15
Athens	22/71	13/55	3	23/72	14/56	4	24/73	15/57	5
Berlin	24/75	14/57	5	25/77	17/52	5	26/78	18/53	5
Bombay	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Buenos Aires	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Calcutta	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Cairo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Chennai	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Colombo	21/70	13/55	3	22/71	14/56	4	23/72	15/57	5
Copenhagen	12/53	3/41	11	13/54	4/42	12	14/55	5/43	13
Costa Rica	25/78	18/64	5	26/79	19/65	6	27/80	20/66	7
Dakar	12/53	3/41	11	13/54	4/42	12	14/55	5/43	13